United States Court of Appeals

for the Second Circuit

APPELLANT'S APPENDIX

76-1340

B

United States Court of Appeals

FOR THE SECOND CIRCUIT

Docket No. 76-1340

UNITED STATES OF AMERICA,

Appellee,

—v.—

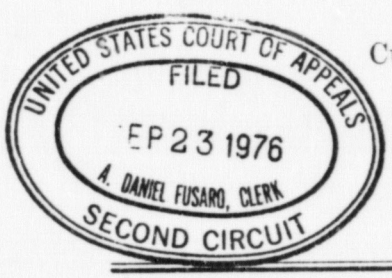
JAMES D. HANLON, COSTAS NASLAS, and PAUL KATRITSIS,

Appellants.

ON APPEAL FROM THE UNITED STATES DISTRICT COUPT FOR THE SOUTHERN DISTRICT OF NEW YORK

APPELLANTS' APPENDIX

VOLUME II—Pages 631a to 1354a



CURTIS, MALLET-PREVOST, COLT & MOSLE
Attorneys for Appellants
100 Wall Street
New York, New York 10005
(212) 248-8111

PAGINATION AS IN ORIGINAL COPY

TABLE OF CONTENTS

	PAGE
Relevant Docket Entries	1-a
Indictment	8-a
Information	127-a
Judgment	132-a
Trial Transcript	136-a
Government's Opening Statement	139-a
Defendants' Opening Statement	175-a
Witness for Goverment:	
Dennis Bustard:	
Direct	191-a
Cross	204-a
Redirect	214-a
Recross	216-a
Redirect	217-a
Nicholas J. Cotzias:	
Direct	219-a
Cross	236-a
Redirect	256-a
Recross	259-a

PAGE

Gerald E. Bachman:

Direct..... 261-a

Cross..... 283-a

Redirect..... 300-a

Mark Scufalos:

Direct..... 300-a

Cross..... 327-a

Redirect..... 364-a

Recross..... 366-a

H. Franklin Thompson:

Direct..... 368-a

Cross..... 371-a

George MacLeod MacKenzie:

Direct..... 373-a

Cross..... 379-a

Richard B. Teiman:

Direct..... 382-a

Cross..... 391-a

Redirect..... 404-a

Joseph Peter Flemming:

Direct..... 406-a

Cross..... 430-a

Redirect..... 450-a

Recross..... 454-a

PAGE

Patrick V. Martin:

Direct..... 460-a

Cross..... 499-a

Redirect..... 533-a

Recross..... 536-a

Richard Barnett:

Direct..... 541-a

Cross..... 545-a

Constantin Mattheo:

Direct..... 549-a

Cross..... 553-a

Redirect..... 555-a

Recross..... 556-a

George Axiotakis:

Direct..... 557-a

Cross..... 563-a

Vincent Hubbard:

Direct..... 569-a

Cross..... 594-a

Redirect..... 597-a

PAGE

Paul Friedman:

Direct..... 597-a

Cross..... 600-a

Redirect..... 614-a

Sherman Petrie, Jr.:

Direct..... 614-a

Cross..... 620-a

Redirect 624-a

Recross..... 625-a

Takayuki Hazumi:

Direct..... 645-a

Katsumi Akiba:

Direct..... 651-a

Melvin I. Tublin:

Direct..... 654-a

Cross..... 667-a

Redirect..... 690-a

Recross..... 692-a

Anna Diaz:

Direct..... 693-a

PAGE

Salvador Juan Huerta:

Direct..... 700-a

Cross..... 718-a

Redirect..... 729-a

Recross..... 730-a

Redirect..... 731-a

Gerard Nout:

Direct..... 732-a

Cross..... 740-a

John Sheneman:

Direct..... 746-a

Cross..... 770-a

Redirect..... 792-a

Theodore M. Sysol:

Direct..... 794-a

Charles Aitcheson:

Direct..... 796-a

Cross..... 800-a

Gerald B. Greenwald:

Direct..... 806-a

Cross..... 811-a

PAGE

Markella Delfos:

Direct..... 823-a

Cross..... 854-a

Redirect..... 881-a

Recross..... 883-a

Joyce D. Walker:

Direct..... 895-a

Cross..... 901-a

Redirect..... 912-a

Recross..... 913-a

John J. Shevlin:

Direct..... 914-a

Cross..... 959-a

Redirect..... 1058-a

Recross..... 1059-a

Redirect..... 1063-a

Barry Metzner:

Direct..... 1065-a

Panayotis Pyrpyris:

Direct..... 1070-a

Cross..... 1074-a

PAGE

Edmond Morel:

Direct..... 1075-a

Cross..... 1079-a

Stephanos Dallas:

Direct..... 1083-a

Cross..... 1085-a

Anthony Ventimiglia:

Direct..... 1093-a

Cross..... 1097-a

Redirect..... 1098-a

Witness for Defense:

Costas Naslas:

Direct..... 1155-a

Cross..... 1228-a

Redirect..... 1289-a

Recross..... 1291-a

Paul Katritsis:

Direct..... 1292-a

Cross..... 1331-a

Redirect..... 1337-a

Recross..... 1337-a

Redirect..... 1338-a

PAGE

James Daniel Hanlon:

Direct..... 1339-a

Cross..... 1426-a

Redirect..... 1516-a

Recross..... 1537-a

Redirect..... 1539-a

Government's Summation..... 1551-a

Defendants' Summation..... 1616-a

Government's Rebuttal Summation..... 1685-a

Court's Charge to Jury..... 1741-a

Exhibits for Government:

Court's Exhibit 1 for Identification..... 1871-a

Court's Exhibit 2 for Identification..... 1872-a

Court's Exhibit 3 for Identification..... 1873-a

Court's Exhibit 4 for Identification..... 1875-a

Court's Exhibit 4A for Identification..... 1876-a

Court's Exhibit 5 for Identification..... 1877-a

Court's Exhibit 6 for Identification..... 1878-a

Court's Exhibit 7 for Identification..... 1879-a

Court's Exhibit 8 for Identification..... 1880-a

Court's Exhibit 9 for Identification..... 1887-a

Court's Exhibit 10 for Identification..... 1888-a

Court's Exhibit 11 for Identification..... 1889-a

Court's Exhibit 12 for Identification..... 1890-a

PAGE

Court's Exhibit 13 for Identification..... 1891-a

Court's Exhibit 14 for Identification..... 1892-a

Court's Exhibit 15 for Identification..... 1893-a

Court's Exhibit 16 for Identification..... 1897-a

Court's Exhibit 17 for Identification..... 1898-a

Court's Exhibit 18 for Identification..... 1899-a

Court's Exhibit 19 for Identification..... 1901-a

Court's Exhibit 20 for Identification..... 1943-a

Court's Exhibit 25 for Identification..... 1952-a

Exhibits for Defendants:

Defendants' Exhibit J for Identification..... 1953-a

Defendants' Exhibit T for Identification..... 1958-a

Defendants' Exhibit U for Identification..... 1960-a

Defendants' Exhibit Z for Identification..... 1961-a

Government's Requests to Charge..... 1967-a

Government's Supplemental Requests to Charge.... 2047-a

UNITED STATES OF AMERICA
v.
JAMES D. HANLON, et al.

June 7, 1976,
10:15 A.M.

--

(Jury present)

THE COURT: Good morning, ladies and gentlemen.

MR. MARMARO: Your Honor, with the Court's permission, we would like to start off this morning by referring to the charts.

MR. FLEMING: May I write a note, your Honor?

THE COURT: Yes.

(Handed to the Court)

THE COURT: We will see what develops.

Go ahead, Mr. Marmaro.

MR. MARMARO: This chart over here is Government's Exhibit --

THE COURT: Just bear in mind that that is evidentiary and not summation.

MR. MARMARO: That's correct. The chart is Government's Exhibit 900-A in evidence. It refers to a summary of the legal records and billing records of James D. Hanlon, which the witness Petrie identified on Friday.

The first entry concerns the Trechon.

MR. FLEMING: Your Honor, I will just make my objection.

THE COURT: Yes. This is in the nature of calling to the jury's attention the written material instead of reading it.

Is that what you are doing?

MR. MARMARO: That's correct, your Honor.

THE COURT: On that ground, I will permit it to go ahead. It is not summation. It is the same as though the document was called to the jury's attention, and instead of that a summary in the chart is called to the jury's attention so they will be kept abreast of what the witness has referred to and what it says.

You may proceed.

MR. FLEMING: May I speak, your Honor, just briefly?

THE COURT: Come up here. You can tell it to me off the record.

(Discussion off the record.)

(In open court)

MR. MARMARO: The first entry concerns the Trechon which is the transaction shown on this chart here to be the Bank of America financing of December 9, 1970,

in the amount of $4,000,000, which vessel was later refinanced under this column, National Bank of North America, on September 28, 1971, in the amount of $4,000,000. This column refers to the date on which a file was opened concerning the particular matter. This amount, the amount in this column reflects the amount that the billing records reflect, and this is the description of the legal work bill. For the Trechon, the first entry is December 23, 1969, and in this instance it refers to the date of incorporation for Victory Development, and the amount billed was $350.

b2 The next entry is October 6, 1970. The amount billed was $350 and that is for the formation of Deneb Navigation Corporation.

The next entry is November 12, 1970. It is for the formation of Kowloon Tankship Corporation and also in the amount of $350.

The fourth entry, the Trechon transaction, there is a date March 16, 1971. The amount is $2,170 and the description of legal work was a fleet mortgage with the Bank of America, hereinafter abbreviated BOA.

The fourth entry on this chart refers to a file date of September 9, 1971. The amount indicated is $1500 and the description is financing of the National Bank of North America, abbreviated NBA.

The next transaction indicated concerns the Krilion, Ilion and Marilion, which is the transaction shown on the chart underneath the Trechon as being financings respectively -- well, in each case of $550,000 at the National Bank of North America in January and February of 1971.

The first entry under the date column shows the file being opened May 22, 1970, for the formation of Interoceanic Brokerage Limited and the amount billed for that was $350.

The next entry shows the file opening on September 9, 1970, for the formation of Transoceanic Shipping Company of Piraeus Limited and again the amount is $350.

The third entry shows the file opening date of October 5, 1970, and a billing amount of $350 and a formation of Unimar Sea Transport GMBH Limited.

Now, that's the charter over here that refers to the financing of the Ilion on February 8, 1971.

The fourth entry--

MR. FLEMING: I object to that as a conclusion.

THE COURT: Sustained.

MR. FLEMING: I move it be struck.

THE COURT: Strike it out.

MR. MARMARO: The fourth entry is December 11, 1970. It's for the formation of the Scindia Steam Navigation Co., Limited. of Bombay and the amount is $350.

The next entry shows the file being opened on December 29, 1970, to the mortgage of the Krilion with NBNA and the amount is $2,750.

And the next date is December 29, 1970. It is for the mortgage of the Krilion at the National Bank of North America and shows an amount of $2,750.

MR. FLEMING: Your Honor, may I ask one question?

THE COURT: Yes.

MR. FLEMING: I take it the $2,750 is the billing for the entire transaction, not for opening the file.

MR. MARMARO: The billing amounts under this column shows the amount that it is finally billed. The date column refers to the date filed on a particular matter opened.

MR. FLEMING: And then the billing is for whatever is done after.

MR. MARMARO: Exactly.

MR. FLEMING: Thank you, your Honor.

a.m. hplt 1

MR. MARMARO: The next entry shows a final opening date of January 27, 1971, as an amount of $2,750 for the mortgage of the Ilion with the National Bank of North America

The next entry is February 5, 1971. The amount here is also $2,750 and this is for the mortgage of the Marilion with the National Bank of North America.

This entry shows a date of August 24, 1971. The description is formation of Mitsui OSK Lines, K.K. Tokyo, Ltd. and the amount shown is $350.

The final entry bears the date also of August 24, 1971, in the amount of $350 and the description is formation of Port Line/Blue Funnel Lines, London, Ltd.

That concludes that transaction.

The next transaction relates to the Aquario, which is shown over here reading across as financing of purchase with the First National Bank of Boston, July 16, 1971, financing in the amount of $780,000, refinancing with National Bank of North America, February 11, 1972, in the amount of $1,500,000 and it shows the two charters.

In the case of the figures, National Bank of Boston, a 33-month charter, and in the case of National Bank of North America, the 42-months.

Under this transaction the first entry is September 9, 1970, and $350 for the formation of Transoceanic

hplt 2

Shipping Company of Piraeus, Ltd.

The next entry is April 19, 1971, and it is for $7,3000 and it relates to purchase of a vessel.

The next entry shows a file being opened on June 8, 1971, for the formation of Southeast Tanker Company, Ltd. There is no report of any amount having been billed for that.

The final entry here is September 15, 1971, for $4,750 and the description being deduction from hire.

The next transaction which is indicated relates to dry cargo vessels, and the relevant places on this chart are the entry for six dry cargo vessels showing National Bank of North America financing, August 11, 1971, for $3,300,000, with Transoceanic Shipping, three years.

The May/June financing, Williams & Glyn, July 9, 1971 and then with the National Bank of North America on November 3, 1971, in the amount of $1, 700,000. Also, the charter being shown as Transoceanic Shipping for three years.

This category is subdivided. The first division is corporate formation, October 6, 1970, formation of Elton Navigation Corporation, relating to vessel Sandra N, and the amount billed is $350.

The next entry is March 22, 1971, the next several

entries bear that date.

The amount is $350 and it is the formation of Canopus Navigation which relates to the Marina.

The third entry on March 22, 1971, relates to the formation of Bellatrix Navigation Corporation, which is the corporation for the vessel Angelica, and the amount billed is $350.

The next transaction concerns a file being opend also on March 22, 1971, billing amount $350 for the formation of Alderaran Navigation Corporation and it relates to the vessel Trias.

The next entry is for the formation of Acamar Navigation, the file being opened on March 22, 1971, invoice amount of $350 and the vessel is Despina N.

The next is March 22, 1971, the amount being billed under this file, $350, for the formation of Capella Navigation. That relates to the vessel Mersinidi.

The next entry is March 22, 1971, the amount is $350, for the formation of Markab Navigation, the vessel being Maria K.

The next entry on March 22, 1971, refers to the formation of Denebola Navigation, the amount billed $350, the vessel being the Semira.

The next entry shows the filebeing opened on

October 6, 1970, the formation of Alioth Navigation, the vessel being the Northern Venture.

The next entry shows March 22, 1971, file being opened, for the formation of Sirius Navigation, the amount being $350 and the vessel is the Pola N.

The Capetan Pantelis, showing opening date March 22, 1971, in the amount of $350, formation of Atria Navigation.

(Pause.)

T2A

The next entry concerns Tidal Marine purchase, and the transaction describes the purchase of dry cargo vessels of Union Commercial Steamship. The date is March 16, 1971, the amount being $1,500 and 2,250. The footnote indicates that the 2,250 amount includes the fee for the purchase and mortgaging of the Maria K and Semira.

The second entry under Tidal Marine purchase column relates to purchase of the Capetan Pantelis from Union Commercial Steamship. The date the file was opened was July 7, 1971, and the amount is $300.

The third subdivision under this transaction relates to financing.

The first entry is National Bank of North America. It shows the file date of July 29, 1971. The billing amount is $9,000. It's for the fleet mortgage of six dry cargo vessels.

The second entry deals with Farber Commercial financing. The date the file was opened is March 16, 1971. The amount is $2,250. Again the footnote indicates that this fee includes the fee for the purchase and the mortgaging of the Maria K and Semira, and the description is the mortgage of these two vessels.

The third entry under the financing column for

the dry cargo vessels concerns General Electric Pension Fund. The date is July 7, 1971. The amount is $12,500. The description is mortgage of Pola N and Northern Venture, renamed Navi[illegible]nipper. The footnote, which is D, states that this amount, $12,500, includes fees billed to two other corporations, Achernar Navigation Corp. and Taurus Navigation Corp.

The final entry under financing column is also National Bank of North America. The date shown for the file being opened is October 27, 1971. The amount shown is $2,500. The description is the mortgage of May and June.

The next transaction shown relates to the Tropis and the Tekton.

Referring for a moment to this chart, the Tropis was financed with Bank of America July 29, 1971, the amount being $1,350,000, the charter being BP 3-year charter. It was refinanced with the National Bank of North America December 24, 1971, the amount being $5,500,000 for both the Tropis and the Tekton collectively, the charter being BP 5-year charter.

The Tekton entry shows financing with the Bank of America May 24, 1971, in the amount of $2,400,000 on the basis of a BP 3-year charter, refinancing with

National Bank of North America December 24, 1971, again collectively $5,500,000, and also on the basis of a BP 5-year charter.

The entries here show the Tropis, the date the file was opened being October 6, 1970, the amount shown being $350 and the description being the formation of Alkaid Navigation Corp.

The next entry is also October 6, 1970, also in the amount of $350. It's the formation of Antares Navigation, the vessel reference under this column being Tekton.

The next entry refers to purchase by Tidal Marine, the date being March 6, 1971, the amount being $5,750 for the purchase of the Ketty, which was renamed Tropis and Michail A. Karageorgis, renamed Tekton.

The footnote, which is footnote E, shows that this amount was $5,750, includes the purchase of the Messiniaki Armonia, which is renamed the Techni, and Messiniaki Floga, which is shown as being Tachys.

The next entry shows the date of March 17, 1970, an amount of $350 for the formation of Aries Navigation which relates to the vessel Tropis.

The second entry is June 16, 1970, the amount being $350 for the formation of Pisces Navigation. It

relates to the Tekton.

The next entry refers to National Bank of North America. The date the file was opened was December 13, 1971. The amount billed was $1,800 and it was for a loan on the Tropis and the Tekton.

The next transaction shown relates to the Aris, which is the vessel shown over here on this chart as being financed at the National Bank of North America on December 29, 1971, the amount of the financing being $4,266,000, the charter being a Wintershall charter of five years. This shows that on December 20, 1971, a file was opened. The amount billed was $1,950.

THE COURT: I can't hear you sometimes.

MR. MARMARO: The amount billed was $1,950 and it's for the sale of the Aris.

The final transaction shown on this chart relates to the Tachys. The Tachys is shown here as being financed with the Bank of America on April 14, 1971, the amount of the financing being $3,250,000, the charter being BP 3-year charter, refinancing with the National Bank of North America February 4, 1972, the amount being $4,500,000 and the charter being BP 5-year charter.

The entries under the Tachys on 900-A are October 6, 1970, $350 for the formaion of Arcturus Navigation, the

next day being March 16, 1971, the amount being $5,750 for the purchase of the Messiniaki Floga renamed Tachys.

Footnote F indicates that this amount of $5,750 includes the purchase of the Ketty, which is the Tropis, Michail A. Karageorgis, Tekton, and Messiniaki Armonia, Techni.

The final entry on this chart refers to the date of April 6, 1971, the amount of $1,350 and the mortgage of the Tachys with the Bank of America.

Thank you, your Honor.

The government calls Mr. Takayuki Hazumi.

With the Court's permission we would like to swear in an interpreter for this witness.

(John Starr Kim, interpreter, Korean and Japanese, sworn.)

THE COURT: Mr. Interpreter, what language are you interpreter?

THE INTERPRETER: Korean and Japanese.

THE COURT: Would you bear in mind that as you interpret the English to the witness, that you do it out loud and have the witness respond out loud. We will try to hear the music involved in both responses.

THE INTERPRETER: Yes.

THE COURT: And also when you give the answer,

please be sure that you express yourself in loud tones so that all who are interested will hear.

THE INTERPRETER: Yes, sir.

THE COURT: Thank you.

T A K A Y U K I H A Z U M I, called as a witness, having been duly sworn through interpreter, testified as follows:

DIRECT EXAMINATION

BY MR. MARMARO:

Q Mr. Hazumi, how are you employed?

A I am employed by Japan Limited, Limited and by the order of their company I was working for a certain company by the name of Terukuni Kaium.

Q Where are your offices located?

A Tokyo, Japan, sir.

Q How long have you been employed by Japan Lines, Limited?

A Exactly 18 years and two months, sir.

Q When was Japan Lines formed?

A At first when I entered the company, it was 1958, and that company was amalgamated with Nittoshosen, and then in 1964 Nittoshosen and another company by the name of Daido Kaiun. Those two companies was

amalgamated. That was 1964, sir.

Q What is the business of Japan Lines, Limited?

THE COURT: You translate as he goes along. Don't wait for the end of a long answer. Translate as he goes along so we know what the witness is saying and your translation is as nearly as possible, the words that he uses, except that you will describe them in the English language.

A The main business of Japan Line is shipping business.

Q Does your company charter vessels?

A Yes, sir.

Q About how many vessels would it have on charter at any given time?

A Although I'm not quite about the exact figure of tonnage now, however, the total tonnage of last year was --

THE COURT: He didn't ask him about tonnage. How many vessels on the average does the company have at a given time?

THE WITNESS: Although I'm not quite sure about the exact number, somewhere around 300 ships, sir.

Q Where is Japan Lines, Limited incorporated?

A It was in Tokyo, sir.

THE COURT: Mr. Marmaro, may I make a suggestion to you. While these facts are no doubt interesting, in view of the difficulties of language involved here, would you please get down to what you brought the witness to the stand for.

MR. MARMARO: Yes.

Q Mr. Hazumi, do you read English?

A Yes, I can, sir.

MR. FLEMING: I am just wondering if we need an interpreter at all, your Honor.

THE COURT: He said he reads English.

Next question, please.

Do you speak English also?

THE WITNESS: Not very good, sir.

THE COURT: Do you understand some English when it's put to you simply?

THE WITNESS: Yes, sir.

THE COURT: Please put it to him simply.

Q Direct your attention to --

THE COURT: Never mind all of that. This is not simple when you start giving him that kind of an instruction.

What do you want to know?

MR. MARMARO: I want him to examine Government's Exhibit 273-A for identification.

BEST COPY AVAILABLE

THE COURT: Please look at that exhibit.

What is the next thing you want him to do?

Q Have you examined the records of your company to determine whether your company entered into the charter party which is shown in that exhibit?

THE COURT: In shorter terms, did your company make this charter?

THE WITNESS: I don't think so, sir.

Q Have you checked the records to determine whether your company ever paid any charter hire on a vessel named the Marilion?

A According to the record, in 1970 and 1973 there is no record that shows any contract between Japan Line and that company you named, sir.

2B a.m.

gwlt 1 Hazumi-direct

Q Are you familiar with the individuals who were authorized in 1971 to sign charter parties on behalf of Japan Lines, Ltd?

A I think the person mainly signed for the company was three people, three persons with signing the contracts.

Q Do you recognize the signature on this charter party as the signature of any of the people authorized to sign charter parties for Japan Lines, Ltd.?

A As I mentioned before, amongst all, three persons who were mainly signing for the contracts. None of them show in this record, sir.

Q Does your company, Japan Lines, Ltd., have any regulations concerning the way in which a signature must be placed on a charter party?

A When Japan Lines signs a contract, usually we put down the full name Japan Line, Ltd. and then the person who signed and then the person's title must be put down there.

MR. MARMARO: I have no further questions on direct of this witness.

I would like to briefly refer to this document with the jury.

THE COURT: Give it to him, Mr. Clerk.

MR. MARMARO: Government's Exhibit 273 in

gwlt 2 Hazumi

evidence is the file. The particular exhibit has been marked as 273A for identification.

(Mr. Marmaro read from Government's Exhibit 273A in evidence, to the jury.)

MR. MARMARO: Nothing further of this witness on direct, your Honor.

MR. FLEMING: With all respect, your Honor we pass on this witness.

THE COURT: You pass on him, all right.

Thank you very much, you are excused.

No further questions.

(Witness excused.)

K A T S U M I A K I B A, called as a witness on behalf of the government, having first been duly sworn, testified as follows:

THE COURT: Do you understand English?

THE WITNESS: Yes, sir, I do.

THE COURT: Do you speak English?

THE WITNESS: Yes, sir , I do.

THE COURT: Do you need the services of an interpreter to assist you in the understanding of English as far as you are aware?

THE WITNESS: Yes. I require an interpreter to attend me.

gwlt 3 Akiba-direct

THE COURT: To be sure of what the questions are, is that your reason? Why do you require an interpreter?

THE WITNESS: That is because I am afraid of the misunderstanding or proper expression in English.

THE COURT: All right.

(John Starr Kim, was sworn as the Japanese-Korean interpreter.)

THE COURT: Go ahead, please.

DIRECT EXAMINATION

BY MR. MARMARO:

Q Mr. Akiba, how are you employed?

A I am presently employed by Mitsui O.S.K. Lines, Ltd.

THE COURT: Speak up, gentlemen. Nobody can hear what you are saying to each other.

Have you got a card showing your occupation? Hand it to the clerk.

Read it, Mr. Clerk.

THE CLERK: Katsumi Akiba, Manager Chartering Team, Tramp and Specialized Carriers Department, Mitsui O.S.K. Lines, Ltd., and it gives an address in Tokyo, Japan as well as a telephone number.

THE COURT: We will call it Mitsui. He is employed by Mitsui. Go ahead.

Q For how long have you been employed by Mitsui?

A Twenty years, sir.

Q What is the business of Mitsui?

A It is a shipping business.

Q Is your company well known in the shipping field?

MR. FLEMING: Objection.

THE COURT: Yes, sustained.

What do you want to know from this man?

MR. MARMARO: The volume of business they do.

THE COURT: Is that of any importance in this case?

MR. MARMARO: It is of some importance.

THE COURT: What is the extent of your business?

THE WITNESS: I think as far as our business line is concerned, it is very widely known, sir.

THE COURT: How big is it? How many ships do you have? How many employees do you have?

THE WITNESS: The number of ships we own is about 300, sir. The number is different, sir. The number we actually own is 130, and the charter and actually operating number is 170. So altogether, somewhere under 300, sir.

Q I want to show you Government's Exhibit 275 and a particular portion of that exhibit, marked 275A for identification.

Sir, do you read English?

A Yes, I do.

THE COURT: Your answer is yes?

THE WITNESS: Yes, sir.

THE COURT: Go ahead.

Q 275 purports to be a charter on the vessel Marilion?

A Yes, it is, sir.

Q Have you checked the records of your company to determine whether Mitsui O.S.K. Lines, Ltd. has ever chartered the vessel Marilion?

A I don't remember any ship named Marilion who was chartered by our company.

Q Have you checked the records of your company?

A Yes, I have checked all the records, sir.

THE COURT: Do the records show a charter of Marilion?

THE WITNESS: Not such name Marilion is registered in our records, sir.

MR. MARMARO: Nothing further.

THE COURT: Any cross?

MR. FLEMING: None, your Honor.

THE COURT: Thank you very much. You are excused.

(Witness excused.)

gwlt 6

MR. MARMARO: The government calls Melvin Tublin.

M E L V I N J. T U B L I N, called as a witness on behalf of the government, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MARMARO:

Q Mr. Tublin, how are you employed?

A I am employed as an attorney.

Q What firm?

A The firm of Poles, Tublin, Patestides & Stratakis.

Q For how long have you been an attorney?

A Since November of 1953.

Q What is your firm's legal specialty?

A Admiralty law.

Q Your legal specialty?

A Admiralty law.

Q Has your firm ever represented the National Bank of North America with ship financing?

A Yes.

Q In general, what procedures would you follow in representing the bank in connection with a ship financing?

A We would get a call from the bank officer who is

handling the loan, asking us to represent them. That would be followed by a loan fact sheet.

We would discuss the loan transaction. We would be in communication with the attorney for the borrower, prepare the necessary documents for the loan; we would have discussions with the attorneys for the borrower concerning what documents we would prepare, what documents they would prepare, and with the bank approving the documents, we would eventually have a closing on the transaction.

Q Was your firm retained by the National Bank of North America in connection with a loan of six dry cargo vessels in the summer of 1971?

A Yes, we were.

Q Directing your attention to this chart, is that the loan shown over here as being a loan of National Bank of North America, August 11, 1971?

A Yes, sir.

Q Is that amount correct?

A Yes, sir.

Q $3,300,000?

A Yes, sir.

Q How did that come about? How did your firm come to be retained?

A Initially I had a call from Joe Metzger of the

National Bank of North America who said he would be making such loan and that was followed by a loan fact sheet.

Q What if anything did Mr. Metzger tell you about the loan?

A He told me that he was making a loan to Scufalos to--

MR. SPRIZZO: I object to the conversation with Scufalos.

THE COURT: We will take it subject to connection.

MR. SPRIZZO: Conversation with Metzger, your Honor. I misspoke myself.

THE COURT: You withdraw the objection?

MR. SPRIZZO: I object to the conversation with Metzger. I think I said the conversation with Scufalos. I misspoke myself.

THE COURT: Go ahead.

Q What if anything did Mr. Metzger say?

A It was going to be a loan to Scufalos to finance his stock purchase from I guess his partners in the vessels.

THE COURT: Mr. Tublin, please speak so that the gentleman on the last seat in the second row of the jury can hear you.

THE WITNESS: Yes, sir.

Q Who was representing the borrower in this transaction?

A Mr. Hanlon.

Q What contact, if any, did you have with Mr. Hanlon?

A We had some telephone conversations concerning the loan transaction, the documentation that would be necessary and we attended the closing together.

Q What was the bank's security for this loan?

A There was to be preferred mortgages on each of theships, an assignment of charters for each of the vessels, personal guarantee of Mr. Mark Scufalos.

Q Was any additional security obtained?

A Later the guarantee of Harry Amanatides was provided.

Q Who requested this guarantee?

A The first time I heard it mentioned it came from Mark Scufalos.

Q What connection, if any, did you understand Tidal Marine International Corporation to have with this transaction?

A No connection that I know of.

Q Did this transaction close?

A It did.

Q When was that?

A It closed over a two-day period, I believe on August 11th, and then one of our associates then went to Greece to record the Greek portions, I believe the next day.

Q Were you present at the closing?

A I was.

Q Who if anyone else was present?

A Mark Scufalos, Mr. Hanlon, myself, Dino Georgiopoulis, possibly another party, but I'm not sure.

Q WAs your firm retained by the National Bank of North America in connection with a loan on the vessel Tagma?

A Yes, it was.

Q Do you recall the amount of that loan?

A It was $3,200,000.

Q Is that the loan shown on this chart as being made by the National Bank of North America on June 16, 1971, $3,200,000?

A Yes.

Q Who initially contacted you from the bank in connection with this matter?

A Joe Metzger.

Q What if anything did he say to you?

A That he was making a loan to Scufalos to acquire a ship.

Q When was that?

A Thatwould have been late April or early May of '72.

Q What was the bank's security to be for this loan?

A A preferred mortgage on the vessel, an assignment of a charter which was then in existence, an assignment of another charter which would be for a three-year period upon the expiration of the charter then in existence and the guarantee of Scufalos.

Q What was the charter which was then currently on the vessel?

A I believe it was a one-year charter with -- to go with AJIP.

Q What was the charter to go into effect after that?

A It was supposed to be a charter with Monte Catini.

Q Was it on the basis of these charters that the loan was approved?

A Yes.

MR. SPRIZZO: I object to that, your Honor. I move to strike that answer, your Honor.

THE COURT: It is a leading question. Strike the answer. Reframe the question.

Q What were the charters which the bank approved the loan on?

MR. SPRIZZO: I object to the question, your Honor. The question should be directed to the bank people, not him.

THE COURT: Were there some requirements in connection with this loan?

THE WITNESS: Yes, sir.

THE COURT: What were the requirements?

THE WITNESS. The loan fact sheet showed two charters, the AGIP charter and a Monte Catini charter.

THE COURT: Were those charters conditions to the closing of the loan?

THE WITNESS: In accordance with the loan fact sheet, yes, your Honor.

Q Did you have conversations with Mr. Metzger concerning these matters?

A Yes.

He had asked us to get confirmation of these charters, and my firm --

MR. SPRIZZO: Same objection to these conversations that I made previously.

THE COURT: The responses are received subject to connection.

A My firm retained Paulo Pisano, an attorney with the firm of Graham & James to contact the charterers and verify the charters.

Q What if anything --

A Oh, I'm sorry.

Later we were advised by Mr. Pisano that he had been able to confirm the AGIP charter and he could not confirm the Monte Catini charter.

Q Did he tell you the Monte Catini had responded to the inquiries -- strike that.

MR. SPRIZZO: Objection. It --

THE COURT: I can't hear you. I would appreciate it --

MR. SPRIZZO: I object to the conversation. These were people --

THE COURT: Are you objecting on hearsay grounds? Objection sustained.

Q When this transaction closed, had the vessel been chartered?

MR. SPRIZZO: Objection, your Honor.

THE COURT: Do you know whether there was a charter on the vessel when the transaction closed?

THE WITNESS: The AGIP charter was in existence, and there was a charter with a subsidiary or affiliate of P. Wigham Richardson.

Q Do you know who represented the borrowing corporations in this transaction?

A Mr. Hanlon.

Q What contact if any did you have with Mr. Hanlon?

MR. SPRIZZO: Objection. Asked and answered.

THE COURT: Overruled.

What was your contact?

A By telephone with him, discussing the loan transaction, and by correspondence and attendance at a pre-closing conference.

Q I direct your attention to Government's Exhibit 22 in evidence and ask you if you recognize this document.

A Yes, sir.

Q Was this document received by you in your capacity as the bank's attorney for this loan?

A Yes.

MR. MARMARO: With the Court's permission, I would like to read Government's Exhibit 22 to the jury.

THE COURT: All right.

(Mr. Marmaro read to the jury from Government's Exhibit 22 in evidence.)

Q What corporation did you understand Government's Exhibit 22 to be referring to?

A Epidavros.

Q What was Epidavros?

A That was the borrower.

Q I direct your attention to Government's Exhibit 20 in evidence and to a particular item in this exhibit which has been marked as 20A for identification.

Do you recognize Exhibit 20A for identification?

A Yes, sir.

Q What is it?

A It is an interest equalization certificate that was prepared in connection with the Tachys loan.

Q Was this document submitted as part of the closing?

A Yes, sir.

Q Was it a condition to the closing that this document be submitted?

A Yes, sir, it was one of the documents. Yes, sir.

Q Who prepared this document?

A I did.

Q What if anything did you do with it after you prepared it?

A It was executed at the pre-closing which I believe was on June 15th.

Q Did you give this document to anybody?

A Yes, I had it at the pre-closing and it was

executed by Mr. Naslas then.

MR. MARMARO: With the Court's permission, I would like to read a portion of this document.

(Mr. Marmaro read to the jury from Government's Exhibit 20A in evidence.)

Q Where was the closing of this loan held?

A Part of the closing was at my office on June 15th.

Q What if anything happened at the part of the closing that was held in your office?

A We finalized the closing documents, had them executed and I held them in escrow pending the final closing which was taking place in London on June 16th at which time additional documents would be presented and the loan completed.

Q Who if anyone else beside yourself was present at this session in your office?

A Mr. Hanlon, Mr. Naslas, myself and possibly another person. I'm not sure.

MR. MARMARO: With the Court's permission, I would like to read Government's Exhibit 408 in evidence to the jury.

(Mr. Marmaro read from Government's Exhibit 408 in evidence to the jury.)

Q Mr. Tublin, was your firm retained in connection

with the transaction of a vessel by the name of Anasstasis.

A Yes, it was.

MR. SPRIZZO: We object, your Honor. We have a note on it.

THE COURT: This note is marked Court's Exhibit 4 Mr. Glekel, will you look at it?

(Court's Exhibit 4 was marked.)

MR. FLEMING: May I hand this up to your Honor?

(Note handed to the Court.)

THE COURT: The second note handed up by Mr. Fleming will be marked Court's Exhibit 4A, presumably as a further reflection of the subject matter.

The government has indicated its response at the foot of Exhibit 4.

The objection is overruled.

(Court's Exhibit 4A was marked.)

Q When was your firm retained in connection with this transaction?

A I believe late April of 1972.

Q Who from the bank retained you?

A John Shevlin.

Q What if anything did Shevlin say to you when he reatined you?

A That he was making a loan to a corporation for

Naslas to purchase the vessel.

MR. SPRIZZO: Same objection, your Honor, to these conversations.

THE COURT: Yes. Go ahead.

Q Who represented the borrower in connection with the Anasstasis transaction?

A Jim Hanlon.

T3B

Q Do you know what the bank security for this transaction was?

A A mortgage on the ship, the assignment on a charter and the guarantee of Costas Naslas.

Q Did this loan close?

A Yes, it did.

Q When was that?

A I believe on May 5, 1972.

Q One further question, Mr. Tublin. Direct your attention back to the Tagma transaction. Was the Montecatini Edision charter you referred to ever submitted to the bank?

A No.

MR. MARMARO: Nothing further on direct, your Honor.

THE COURT: Before we take cross-examination, we will have a short recess.

(Jury left)

(Recess)

(Jury present)

CROSS EXAMINATION

BY MR. SPRIZZO:

Q You testified on direct examination, Mr. Tublin, that you have on occasion represented Bank of

hph 2 Tublin-cross

North America?

A Yes, sir.

Q Do you do a lot of work for them?

A We did a number of closings for them.

Q For how long a period of time have you been handling closings for the Bank of North America?

A We originally started with the Meadowbrook National Bank which was then merged into the National Bank of North America. That would have been some time in the sixties that we did the initial marine financings for them.

Q Are they a fairly substantial client of your firm?

A Not at the present time.

Q When did your representation with the bank cease

A I would say at the end of 1972.

Q From the sixties until 72 they were a substanti client.

How many closings a year did you handle?

A I wouldn't say substantial. We did a fair amou of closings but they didn't account for that much business

Q When you handled a closing for the Bank of North America at what point in the loan proceedings were you called by the bank?

A After the loan would be approved by the commictee or about that time, we would be called in by a bank officer.

Q And at the time you were called, the loan fact sheet had already been prepared, is that correct?

A Generally, yes, although sometimes we may be aware that there is a pending loan or may be told that.

Q You gave some testimony on direct examination as to your understanding as to the purpose of the loan and who the borrower was. Were you relying for that understanding upon information supplied by the bank?

A Yes.

Q In other words, you have no personal knowledge as to the facts contained in the loan sheet?

A I don't understand the question.

Q I will rephrase the question.

Does the loan sheet reflect the so-called or alleged purpose of the loan?

A Yes.

Q Insofar as the representation is contained in the loan sheet, you rely on what is contained in the loan sheet, is that correct?

A That is correct.

Q You have no personal knowledge of the truth or falsity or whether or not those assertions contained in

the loan sheet are true?

A Correct.

Q You do not conduct any independent investigation?

A Correct.

Q You rely upon the bank officer and the bank, is that correct?

A That is right.

Q Did you have any knowledge at the time that the loan transactions about which you testified took place that the bank officers not acting in the best interest of the bank?

A No, sir.

Q As far as you were concerned, they were loyal, dedicated, hard working bank officers, is that correct?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q Did you have any facts which would indicate that they were not hard working, dedicated and loyal employees of the bank?

MR. MARMARO: Objection.

THE COURT: I will let him answer the question.

I had no reason to suspect otherwise or believe otherwise.

Q And you felt that as an attorney representing

the bank, you could rely upon their representations to you?

A Yes, sir.

Q As an attorney for the bank, it was your obligation of course to represent the best interest of the bank, was it not?

A Yes, sir.

Q That was not the obligation of the borrowers' attorney or sellers' attorney. That was your obligation?

A Yes, sir.

Q In connection with the loan on the six dry cargo ships that you have testified to on direct examination, isn't it true that the only conversations you had with Mr. Hanlon in connection with that loan were the kind of conversations you have with a borrower's attorney in connection with any loan?

A I believe so.

Q They were the ordinary run of the mill conversations you would have in connection with a closing?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q There was nothing unusual about those conversations, was there?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q And that conversation consisted of you and he speaking about what documentation should be supplied and what documents you would prepare, is that correct?

A Yes, sir.

Q I think the government asked you on direct examination about your normal procedures on a closing. Did you follow your normal procedures in connection with the six dry cargo ship closing?

A I believe so.

Q Was there anything you did in connection with the six dry cargo ships that was different than you would ordinarily do in connection with a closing?

A Not that I can recall.

Q Was there anything in your conversation with Mr. Hanlon that was different than you would ordinarily do in connection with a closing?

MR. MARMARO: Objection.

THE COURT: Whatever value it has, you may answer it.

A I don't believe there was anything different.

Q I believe you testified on direct examination that there was a guarantee of Mr. Scufalos, is that correct?

A Yes, sir.

Q I believe you testified that it was your

impression that Mr. Scufalos was the borrower?

A That is correct.

Q That understanding, I take it, was based upon representation made to you by the bank?

A It was in the loan fact sheet and also I had had telephone conversations with Scufalos where he was giving certain information so far as processing the loan.

Q It is also true that that loan was guaranteed by Harry Amanatides?

A Yes.

Q Did you know who Mr. Harry Amanatides was at that time?

A Probably about the time of the closing.

Q You knew, did you not, that Mr. Amanatides was the chief principal of Tidal Marine Shipping Corporation?

A I didn't know him to be the chief principal but that he was connected with Tidal Marine.

Q He was connected with Tidal Marine in some important executive capacity. You knew that much, did you not?

A That's correct.

Q Did you know at that time who Costas Naslas was?

A I'm not sure if at that time I knew who he was.

Q When did you find out?

A It could have been months and months later.

Q We will get back to that later on.

Did you know who Mr. Katritsis was?

A No, I don't recall who he was.

Q Did you know that Mr. Katritsis had a connection with Tidal Marine?

A No, I don't believe so.

Q In connection with the closing on the six dry cargo ships, was there not a document included among the closing documents which dealt with the disbursement or use of the proceeds of the loan?

A There may have been.

Q Isn't it also true that the document which I referred to which dealt with the proceeds or disbursements of the proceeds of the loan provided that in part the disbursement of the loan proceeds was to be made to the Eldorado Investment Inc., in care of Mr. Harry Amanatides, 155 West 70th Street, New York City?

b2 A I would have to see my closing folder.

xx (Defendants' Exhibit I marked for identification.)

Q Mr. Tublin, I show you Defendants' Exhibit I for identification and I ask you to examine that document and see if that refreshes your recollection as to

whether or not the proceeds of the loan were directed to be disbursed as I indicated in my question.

A I don't know whether this was with the closing folder or whether I handled this document.

MR. SPRIZZO: Let me show it to the government.

(Pause)

T4A

Q Did you examine a credit folder?

A No.

Q You did not?

A I might say that's not the usual type of letter proceeds that I would prepare.

MR. SPRIZZO: Your Honor, I believe this document is in evidence. I would like to read a portion of it to the jury.

(Mr. Sprizzo read from Government's Exhibit 25 in evidence to the jury.)

Q At the time you handled the six dry cargo ship transaction, did you know Mr. James Hanlon prior to that time?

A Yes.

Q You knew him as an admiralty lawyer?

A Yes.

Q Did you not know at that time that he was an attorney for Tidal Marine Corporation?

A I'm not sure. I don't believe I knew him at that time as counsel for Tidal Marine.

Q When did you find out he became counsel for Tidal Marine?

A I couldn't tell you the exact date because I have no independent recollection as to exactly when.

Q Isn't it true, Mr. Tublin, that very, very often in connection with a loan transaction on the ship a charter party is submitted as security for the vessel; isn't that correct?

A Yes, sir.

Q In your ordinary practice as an attorney, do you consider it part of your responsibility to check the genuineness of the charter party?

A At that time we didn't use to follow that practice.

Q In other words, you did not at the time of the transactions that you testified to on direct examination feel it was your responsibility to check out the validity or genuineness of the charter?

A No. Generally we would get a certificate provided by --

THE COURT: Just answer the question.

A No, sir.

Q Did you assume or believe at that time that the bank had that responsibility?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q Was it your belief at that time that the bank had the responsibility of verifying the genuineness of

the charter?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q At the time you handled these six dry cargo ships did you have any conversations with Metzger about the genuiness of the charter?

A No, I don't believe we had any conversations about that.

Q Who had the responsibility for deciding whether or not the collateral furnished was adequate to support the loan?

A That would be a bank determination.

Q In other words, the lawyer for the bank has nothing to do with that; is that correct?

A That's right. That's a business decision.

Q To the extent that the charter was collateral for the loan, the adequacy of the charter as collateral was a decision for the bank; is that correct?

A That's correct.

Q Did you at any time own any stock in Tidal Marine International Corporation?

A I believe I once bought 200 shares of the stock and then sold it.

Q When did you buy your stock?

A In the spring of '72 and probably sold it the end of the spring or June or some time around that time.

Q Did you ever speak to Mr. Hanlon about buying Tidal Marine stock?

A No, sir.

Q You bought the stock because you thought it was a good investment?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q Isn't it true that you at no time had any conversations with Jim Hanlon aboubt the purpose of the loan other than -- withdrawn.

Did you ever have any conversation with Mr. Hanlon about the purpose of the loan?

A I can't recall any such conversation.

Q Which documents did you prepare in connection with the six dry cargo ship loans?

A I don't have an index before me, but I would have prepared the loan agreement, the mortgage, the note, the assignments of charter, the authorization to collect claims, the authorization for service of process, the interest equalization certificate, the UCC financing statement, the guarantee. I'm sure other documents, but without the index in front of me --

Q There are quite a large number of documents that get to a closing; isn't that correct?

A Yes, sir.

Q Would it be fair to say the procedure involves passing a large number of documents around and signing a large number of documents, some of which have more than one copy?

A Yes, sir.

Q Usually it takes a little while, too; does it not?

A Yes, sir.

Q Does it happen in the ordinary course of your experience or has it happened in the ordinary course of your experience that there are documents sometimes missing in a closing?

A Sometimes documents are not prepared or available at a closing; yes, sir.

Q Is it not unusual to go on and continue and close on a transaction even though all the documents are not physically there?

A That is correct.

Q It is not unusual?

A It's not unusual.

Q Are you familiar with the concept of an attorney

in fact?

A Yes, sir.

Q Is it true that an attorney in fact is basically a person who is authorized to sign or conduct certain specific business on behalf of a corporation?

A Yes, sir.

Q He need not be an attorney; is that correct?

A That is correct.

Q And there is a distinction between a person who acts as an attorney in law or at law and an attorney in fact; isn't that correct?

A That is correct.

Q Is it not true also that in your experience as an attorney handling closings on admiralty ships, it is not unusual for a person to sign as an attorney in fact, even though the actual borrower might be present; isn't that correct?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q It's not unusual about signing something as an attorney in fact?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q Is that not a fairly customary practice within

your experience?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q Nothing fraudulent or sinister about it; is that right?

MR. MARMARO: Objection.

THE COURT: Same ruling.

Q In connection with the Tagma, I believe you testified on direct examination that you made an inquiry of some Italian law firm or an Italian law firm to look into the charter in connection with the Tagma; isn't that correc

A That is correct.

Q That was not your ordinary practice; is that correct?

A That's correct.

Q I believe you testified youdid that because the bank officer asked you to do it?

A That's correct.

Q I believe you testified that as far as the Agip charter was concerned, there wasn't any problem with that charter, that was a valid existing charter; isn't that correct?

A Yes, sir.

Q As far as you were informed?

A Yes, sir.

Q Mr. Tublin, I show you what's been marked as Government's Exhibit 20 in evidence and I show you a charter. Would you examine that for a moment.

THE COURT: What ship is that?

MR. SPRIZZO: That's the P. Wigham Richardson charter on the Tagma.

A Yes, sir.

Q You have seen that charter before, have you not, Mr. Tublin?

A Yes, sir.

Q I believe you testified on direct examination that that charter was submitted in connection with the loan on the Tagma; is that correct?

A This was the charter given to me by Mr. Shevlin.

Q On the Tagma?

A On the Tagma.

Q And that loan closed, I think you said, at least on June 15th and June 16th, 1972?

A The loan closed on June 16th. On the 15th I had no copy of a charter. I received this copy after the weekend of June 17th.

Q At the time you received that document were you aware that that document was signed or contained the

signature of Mr. Harry Amanatides?

A I don't believe I was aware of that.

Q You did not look at the charter?

A I did, but I don't think I paid any special attention to it.

Q Is it your testimony that the charter was received by you from Shevlin, that you looked at the signature on the charter? Is that your best recollection?

A I'm not sure whether I did or not. There was an attorney from our office in attendance at the closing in London when the charter was executed.

Q So you didn't pay any --

A So I probably didn't spend that much time with doing that aspect of it.

Q So you didn't pay any special attention to see who signed the charter or who didn't; is that correct?

A I don't believe I did.

Q Did you not then send that charter on to Costas Naslas?

A I did, sir.

Q Did you at that time know who Costas Naslas was?

A Yes, sir.

Q You knew he was connected with Tidal Marine?

A Yes, sir. I believe at that time he was in the process of leaving Tidal Marine.

Q So at least at that point in time you had some knowledge that Tidal Marine had some connection with this transaction, did you not?

MR. MARMARO: Objection.

THE COURT: Overruled.

A I knew this to be a Scufalos purchase. If there was any connection, I was not aware of what connection they would have.

Q But you did not send the charter to Scufalos, you sent it to Costas Naslas at Tidal Marine, isn't that correct?

A He was in attendance at the closing on the 15th and signed the papers. He had executed a certificate which was annexed to the charter and, therefore, I sent him a copy of it.

Q Was Mr. Scufalos at the closing on June 15th in New York?

A No, sir, he was in London on the 18th.

Q As a matter of fact, at the time of this transaction, you knew, did you not, that Scufalos and Tidal Marine people acted as agents for each other?

A Yes, sir.

MR. MARMARO: Objection.

Q And you so testified before the grand jury, isn't that correct?

A I believe so.

Q Therefore, you did not find it strange to send a document on what was represented as a Scufalos loan to Tidal Marine, isn't that correct?

MR. MARMARO: Objection.

THE COURT: Whatever the inferences are, we will leave it to the jury to draw.

Q In any event, when Mr. Naslas appeared at closings on what was represented as Scufalos loans, you did not find that circumstance surprising, did you?

A No, sir.

Q You were aware of the connection between these two individuals at that time, is that correct?

A Yes, sir.

Q You did not understand the precise nature of the connection? I take it that is your testimony?

A Pardon?

Q Did you understand the nature of the connection that they had other than they acted as agents for each other?

A That's about it.

Q There came a time, I take it, when there was -- when you received certain information, and without saying what it was, with respect to the Monte Catini charter, isn't that correct?

A Yes, sir.

Q In connection with the Montecatini charter take it the Montecatini charter was not used as as col in support of the loan?

A That's correct.

Q Did you ever communicate the information yo received with respect to the Montecatini charter to Mr. Hanlon?

A I have no recollection in that regard.

Q In all of your dealings with Mr. Hanlon, in connection with these loan transactions you have testif about, did he at any time indicate to you in any shape, manner or form, that he knew or was aware of any fraud Tidal Marine?

MR. MARMARO: Objection.

THE COURT: Overruled.

A No, sir.

Q Mr. Tublin, did you testify that you spoke Scufalos in connection with the six dry cargo loans?

A Yes, sir.

Q Have you ever represented Scufalos personal

A My firm has.

Q But you have not, personally?

A I don't believe I have worked on any of his cases.

Q Who within your firm represented Mr. Scufalos personally?

A John Poles and Kris Stratakis.

Q When was that?

A I believe initially some time in the mid'60's in connection with charter party dispute, and they have done some other work for him in connection with charter party disputes.

Q Do you know a person named Marcello Delfos?

A Yes.

Q Do you know who she was?

A She was Scufalos' secretary.

Q Do you know also that she was working for Tidal Marine?

A I don't know in what capacity or what relationship she had with Tidal Marine.

Q It is true that she -- you did see her working at the offices at 2 Chesterfield Hill in London?

A I have never been to that office.

Q Do you know that she was working in that office?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q Do you remember testifying at an earlier trial involving different people that are involved here on trial?

Do you recall that?

A Yes,sir.

Q You recall being asked certain questions by the government I believe in connection with that trial about the income that was supposed to be generated on these six dry cargo ships?

A Yes, sir.

Q Do you remember the government asking you whether or not you were aware --

MR. MARMARO: Objection.

THE COURT: Are you objecting to the form of the question?

MR. MARMARO: I am objecting. If he would like to read the question --

THE COURT: Mr. Sprizzo was just going to extemporize as far as I can see.

MR. SPRIZZO: The testimony is rather lengthy. I can get through with this witness in one or two questions.

THE COURT: That is a convenient suggestion on your part. I cannot control the objector.

Q Was it not brought to your attention during that trial that the income for the six dry cargo vessels as represented on the collateral document as in support of the loan was lower than the income as reflected on a certain

telex which you had received?

A Yes, in connection with --

MR. MARMARO: Objection.

THE COURT: You are a little late.

A I was going to -- in connection with one vessel.

Q In connection with one vessel, is that correct?

A Yes.

Q I believe you testified at the last trial that you never noticed that difference, is that correct?

MR. MARMARO: Objection.

THE COURT: I will let him say whether he remembers whether he noticed it or not.

THE WITNESS: I did not notice it at the time.

MR. SPRIZZO: I have nothing further.

THE COURT: Any redirect?

MR. MARMARO: Brief, your Honor.

REDIRECT EXAMINATION

BY MR. MARMARO:

Q In connection with the six dry cargo loan, Mr. Tublin, was it a condition at closing that Mr. Amanatides' guarantee be supplied?

A No, sir.

Q At whose request was it submitted?

A Mark Scufalos'.

Q In connection with the six dry cargo and the Tagma transaction, was Mr. Hanlon acting as attorney at law?

A Yes, sir.

Q Also in connection with the Tagma transaction, do you know the company who was going to perate the Tagma after the closing?

A I'm not sure.

Q Directing your attention to the P. Wigham Richardson charter, which was delivered in connection with the Tagma transaction, did there come a time when you learned that the P. Wigham Richardson charter was not a binding obligation?

MR. SPRIZZO: Objection, beyond the scope of the cross.

THE COURT: Overruled.

Did you learn that it was not a binding obligation?

THE WITNESS: I was informed that there were certain clauses that were added to the original charter.

THE COURT: Is that an answer to the question?

THE WITNESS: I have never seen it, but I believe that is what occurred, your Honor.

THE COURT: Did you ascertain that it was not a binding obligation?

MR. SPRIZZO: I didn't understand the question.

Was the question whether he heard it was not a binding obligation?

MR. MARMARO: Would the reporter read the question back, please?

(Question read.)

MR. SPRIZZO: My objection is to the form of the question, your Honor. If it is what he was told, I would not object to it. I don't think the witness can give an opinion.

THE COURT: Overruled.

Was there such --

THE WITNESS: I was told some time later on that it was not a binding obligation.

MR. MARMARO: Nothing further.

RECROSS EXAMINATION

BY MR. SPRIZZO:

Q Who gave you that P. Wigham Richardson charter?

A The one in front of me?

Q Yes. Who actually, physically gave it to you?

A John Shevlin. He sent it over by messenger from his bank.

Q So it came from the bank, isn't that correct?

A That is correct.

Q Did Mr. Shevlin tell you anything about it not being a binding obligation?

A No, sir.

Q As a matter of fact, Shevlin was in London, not you, isn't that correct?

A Pardon?

Q Shevlin was the one who was in London. You were not there, is that correct?

A That is correct.

Q And he brought that charter back from London?

A I believe so. I was so informed.

MR. SPRIZZO: I have no further questions.

MR.MARMARO: Nothing further.

(Witness excused.)

MR. MARMARO: The government calls Anna Diaz.

A N N A D I A Z, called as a witness on behalf of the government, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MARMARO:

Q Ms. Diaz, how are you employed?

A I am a legal secretary.

hplt 2 Diaz-direct

THE COURT: Try once again. A little louder.

THE WITNESS: I am a legal secretary.

Q How were you employed during the period 1970 to 1972?

A I was working for Mr. Hanlon.

Q Would you repeat that?

THE COURT: That won't do.

You see, the folks in the jury box want to hear what you have to say and you have to deliver. This is a high ceilinged room and it is very difficult to hear unless you articulate loudly.

A I worked for Mr. James Hanlon as a secretary.

Q Have you ever heard of a company named Tidal Marine International Corporation?

A Yes.

Q Do you know if Tidal Marine was one of Mr. Hanlon's clients?

A Yes.

Q Do you know approximately what percentage of Mr. Hanlon's legal time was spent working on Tidal Marine matters?

A 90 percent, I would say. 90 percent.

THE COURT: 90 percent?

THE WITNESS: Yes.

Q I show you Government's Exhibit 976 in evidence, and I would like to direct your attention to the second page and ask you if you recognize the signature.

A Yes, I do.

T5B

Q What is the signature?

A It's signed James D. Hanlon/ ACD.

THE COURT: Just a minute. I didn't hear you from here.

THE WITNESS: It's signed James D. Hanlon/ACD and it's my initial, my signature.

THE COURT: James D. Hanlon/--

THE WITNESS: ACD.

THE COURT: And those are your initials?

THE WITNESS: Yes.

Q Do you know who signed that signature?

A Yes, I did.

Q At whose direction was it signed?

A Mr. Hanlon's.

Q Did you frequently sign documents for Mr. Hanlon?

A Yes.

Q And in what manner would you sign his name?

A The same as here, James D. Hanlon/ACD.

Q When you signed signatures for Mr. Hanlon, at whose direction would that be done?

A At his.

Q Who would give you the substance of the letter?

A He would.

Q Was that your unvarying practice?

A I beg your pardon?

Q Was that your unvarying practice?

A Yes.

Q I show you Government's Exhibit 408 in evidence and ask you if you can identify the signature there.

A It's mine. It's my signature.

Q What does it say?

A James D. Hanlon/ACD.

Q This is another example?

A Yes.

Q I show you Government's Exhibit 302 in evidence and ask you if you can recognize that.

A Yes, I do.

Q What is it?

A It's the stock book for Southeast Tanker Company Limited.

Q Directing your attention to the inside of that book, are there various entries inside there?

A Yes.

Q Do you know whose handwriting appears on those entries?

A They're all my handwriting.

Q I direct your attention to Government's Exhibit 961-A in evidence and ask you if you can recognize

any entries in this exhibit.

A Yes.

Q In whose handwriting is it?

A My handwriting.

Q I direct your attention to Government's Exhibit 961-B in evidence and ask you if there are any entries in that exhibit.

A Yes, there is one.

Q In whose handwriting is that?

A My handwriting on the first two lines.

MR. MARMARO: I would like the record to reflect what the first two lines are. With the Court's permission I will read the first two lines of the entry.

(Mr. Marmaro read from Government's Exhibit 961B to the jury.)

Q Are those the lines you are referring to, Ms. Diaz?

A Yes.

MR. MARMARO: Nothing further on direct,your Honor.

THE COURT: Is there any cross?

MR. SPRIZZO: No questions, your Honor.

THE COURT: Thank you very much. You are excused

(Witness excused)

THE COURT: Is the next witness a short one or would you prefer to start at 2 o'clock?

MR. GLEKEL: I think the witness will take about 20 minutes on direct examination, your Honor.

THE COURT: Then we will excuse the jury for lunch until 2 o'clock.

(Jury left)

THE COURT: How many do you have this afternoon?

MR. GLEKEL: I have six scheduled, your Honor.

THE COURT: All right, we will hear them.

(Recess to 2 P.M.)

AFTERNOON SESSION

2:05 p.m.

(In open court - jury present.)

S A L V A D O R J U A N H U E R T A, called as a witness on behalf of the government, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. GLEKEL:

Q Sir, how are you employed?

A I am ship owner. I own ships and that is what I make my life.

Q Directing your attention to 1970 to 1972, were you in the ship owning business?

A Yes.

Q Where are your main offices?

A In Maracaibo, Venezuela.

Q Directing your attention to 1970, did there come a time when you learned about a ship by the name of the Petorolasa, renamed the Trechon?

A Yes, I recall that.

MR. FLEMING: May I speak to Mr. Glekel a few moments.

THE COURT: Certainly.

Q The ship you learned about was named the

Petorolasa?

A Yes, sir.

Q How did you learn about the Petorolasa?

A In my shipping business, I know that this vessel was performing not very good, coast wise Venezuela. The vessel was bought from people that was not in the shipping business and the operation of this vessel was in very poor condition and I know that they was willing to sell this ship and when I learned that, I just called a friend of mine and my lawyer at the time, Mr. Sheneman, and explained there was the possibility of selling the vessel.

Q You mean Mr. John Sheneman?

A Yes, sir.

Q What if anything happened after you informed Mr. Sheneman about the availability of the ship?

A He told me there might be some people interested in buying the ship and then it became just some kind of relationship with the owners, and the broker made the sale come true.

Q Did there come a time when Mr. Sheneman put in bids to purchase the ship?

A I don't know if somebody else was interested in the ship.

Q Did there come a time when the ship was purchased

A Yes.

Q Do you know when the closing of this purchase occurred?

A The closing?

Q Yes.

A No.

Q Did there come a time at or about the time of the purchase when you participated in discussions concerning the brokerage commission on the sale of the ship?

A Did I what, excuse me?

Q Were you present about discussions about the brokerage commissions of the ship?

A Yes.

Q Who did you discuss the brokerage commission with?

A With Mr. Sheneman.

Q And what was said?

A He instructed me out of the commission, certain amounts, which I instructed the borker to do it and we got the checks, how it was told to do.

Q How was it to be split?

A It was between five, I guess, five different checks.

Q And who were the checks made out to?

A One in my name, and then another one for Mr. Hanlon.

Q Do you mean James Hanlon?

A James Hanlon, yes. Another one for Mr. Sheneman, John Sheneman; another one for Zock, Petrie, Sheneman & Reed, which was the firm.

Q Do you recall the approximate amount of these checks?

A 3,000 was mine and 33,000 something was the Sheneman, Petrie and Reed and the others I can't remember how much.

T1B

Q Did a time come when title to the vessel Petrolasa was assumed by a subsidiary of Tidal Marine?

A I don't understand this question.

Q Who actually purchased the ship?

A I was told it was a Greek interest firm.

Q Did you receive any other money in connection with the sale of the ship?

A Yes.

Q What was that?

A There was another hundred thousand dollars. Do I have to explain or --

Q How did you come to receive a hundred thousand dollars?

A It seems this was a good deal for the buyers and I assumed they make a fairly nice profit, and Mr. Sheneman and Mr. Hanlon too, they decide to give the benefit of this nice profit of the purchase of the vessel, they thought I deserve an extra payment, which they did, and I got the extra money, extra payment.

Q Directing your attention to the spring and summer of 1971, did there come a time when you learned about the availability of a charter with a company by the name of Compania Shell De Venezuela?

A Yes.

Q How did you learn about this charter?

A Well, we have been doing business for a long time with Compania Shell De Venezuela in Venezuela and I got a letter from this company, they are willing to enter into a contract with us for an operator tanker, about 15,000 tons, from Venezuela to Curacao and Santa Domingo.

Q Do you recall who you received this letter from?

A Captain Jerry Nouts.

b2 Q Was there a charter for 33 months?

A I guess in the letter, in the beginning, was for three years but later on the charter was for less than that, because the time was going on and they reduced at that time the length of the charter to two years and nine months.

Q You are saying the charter was originally for three years and by the time it was entered into it was for --

A No, in the letter I got from Shell, they was willing to charter the vessel for three years.

Q And then what happened?

A When the execution of the charter, it became two years and nine months.

Q As a result of receiving this letter, what did you do?

A I went to the market to search for a vessel about that size and through the brokers as well, but finally we got a vessel called Dedone. It was that size and operating at that time, I guess in the Far East.

Q Did Shell accept that vessel for the charter?

A Yes.

Q Was a charter actually entered into and signed?

A Yes.

Q On the Dedone?

A On the Dedone, yes, sir.

Q This is the charter for two years and nine months?

A That is correct.

Q Did you sign that charter?

A Yes.

Q Did you have any contact with Mr. Sheneman in connection with this charter?

A Yes. I called him. You know, just to develop the financing of the purchase of the vessel because at that time I'm supposed to purchase the vessel and operate from ourselves, but the financing was-- didn't realize can get the money, in other words, and Mr. Sheneman told me he cannot get the money but maybe they get somebody that will be interested in getting this vessel operate and purchase the vessel to perform this charter.

Q Did anything happen after that?

A Yes. I was told that a Greek interest, firms, whatever it was, be interested in putting the vessel provided I transfer the charter to give something, participation on my own, which they told me they will do it.

Q Were you told that financing had been arranged?

A The financing?

Q Yes.

A I was told, yes.

Q Was the ship to be attached to the charter changed.

MR. SPRIZZO: I object to the leading form of most of these questions.

THE COURT: Rephrase it.

Q What was the name of the ship that was finally purchased?

A Well, it was a vessel called Thauheel and later on it was renamed Aquario.

Q Did there come a time that a change was made in the charter party to reflect the change in the name of the ship?

A Yes, sir, it was an addendum.

Q What did this addendum say?

A Again it was very simple addendum, saying that the vessel Thauheel -- Dedone would be substituted for the Thauheel with the approval of the charterers, at that time Shell Venezuela.

Q You mean it the other way around?

MR. SPRIZZO: Objection. I object to the form of the question.

MR. GLEKEL: Let me strike that and rephrase it.

Q Which ship was substituted for which?

A The Aquario -- the Dedone was substituted by the Aquario.

Q Do you recall the name of the company which purchased the Aquario?

A Southeast Tanker Company.

Q Did you have any ownership interest in this company?

A Well, I was in principal the president of the company and then when the vessel was bought I was offered 10 percent of the shares was the management of the vessel in the Caribbean area, just to transfer this business to the new buyers.

Q Who were the other owners of the Aquario?

A Greek interests at that time was -- I didn't know what was the name of the company. I know it was some Greek interests in that.

Q Do you recall the names of any of the individuals who owned an interest in Southeast Tankers Company?

A I assume, but I cannot --

MR. SPRIZZO: I object to his assumption, your Honor.

THE COURT: He hasn't given any assumption.

MR. SPRIZZO: He started out by saying "I assume."

THE COURT: The question calls for what your knowledge is or was, what your knowledge was of the persons who had financial interests in the ship, in the company.

THE WITNESS: I'm not sure. I cannot prove it myself.

THE COURT: You say two things. You know but you are not sure.

What do you know?

THE WITNESS: It was Greek interests involved in purchasing the vessel.

THE COURT: What names do you know were interested in the ship?

THE WITNESS: One was Amanatides.

THE COURT: Do you know any other names?

THE WITNESS: No, sir.

Q Do you recall signing any documents in connection with the purchase of the ship?

A Well, I recall signing documents, but I cannot know it was in connection with the purchase of the vessel.

Q Was it in connection with the vessel?

A With the --

Q Was it in connection with the Aquario?

A I don't know. I came to New York just to sign papers. I didn't know what the papers was.

Q Who told you to come to New York to sign papers?

A Mr. Sheneman.

Q Was this in July of 1971?

A Yes, July.

Q What did Mr. Sheneman tell you when he told you to come to New York?

A That I have to sign some documents in connection with the Aquario and the company, which I did. I came to New York.

Q What happened when you arrived in New York?

A Well, Mr. John Hanlon was at the airport with those papers and I signed those papers.

Q Let me show you Government's Exhibit 303 in evidence which is a telex and ask you whether you recognize that telex as having been received by you or your office.

A Yes, I remember this telex, as far as I can. This is my telex number, one of the companies, nothing to do with the shipping company, but agency which is nearby. At that time we received telexes at this number.

Q That's your telex address that appears on that document; is that correct?

A No, this is not the company, the shipping company, but the agency that handles it for us

THE COURT: Is that your telex number?

THE WITNESS: No, sir.

THE COURT: What did you say about that telex number?

THE WITNESS: This is the telex number of the agency that is nearby our shipping company. At that time we didn't get any telex. We were using their telex.

THE COURT: In other words, you were using their telex?

THE WITNESS: Yes.

THE COURT: And this number describes their identification?

b2 THE WITNESS: That's correct.

Q Did a time come when the Aquario was delivered pursuant to the charter? Did a time come when the Aquario became to serve on the time charter?

A Yes.

Q How did the vessel operate?

A The ship?

Q Yes.

A Very poorly.

Q What do you mean by poorly?

A Not good performance, plenty troubles, breakdowns, poor pumping capacity, I would say, not good capacity for pumping.

Q Directing your attention to October, 1971, do you recall a meeting in Curacao concerning the Aquario?

A I was in Curacao, but I don't remember if it was October.

Q I'm sorry, I did not hear the last part of your answer.

A I don't remember it was October.

Q Do you recall who else was in Curacao?

A Mr. Sheneman and Mr. Hanlon, John Hanlon.

Q Do you recall the topic, the general nature of what was discussed?

A Regarding the performance of the vessel.

Q Of the Aquario?

A The vessel Aquario, yes.

Q After this meeting do you recall traveling to London in October of 1971?

A Yes.

Q What was the purpose of this trip?

A The purpose was -- until then I was operating the vessel, taking care of the vessel, the operation in the area, but I got so many complaints about -- from

the crew and the master regarding the condition of the vessel, so I thought myself just to explain to the owners what was going on and to put some money to improve the condition from the vessel.

Q What did you do when you first arrived in London?

A What did I do?

Q Yes.

A I met Mr. Hanlon and Mr. Sheneman at the hotel, the Inn in the Park.

Q Do you recall anything that you said to Mr. Hanlon or Mr. Sheneman or that they said to you?

A Yes. I explained I was very upset, very mad and I don't want to go along with this operation, the vessel the way it was, and maybe my Latin way to do it was excited. Mr. Hanlon say just take it easy, everything is going to be fine. We are just trying to arrange everything and we are going to get Mr. Amanatides and it's going to be the way you want it.

Q What happened after you met Mr. Hanlon and Mr. Sheneman in the Inn in the Park?

A We had lunch together.

Q Who was at lunch?

A Sheneman, Hanlon and Amanatides and myself.

Q What was said at the lunch?

A I explained to Mr. Amanatides the same situation I explained to Mr. Hanlon about, and I explained as well that just for me to operate properly this vessel, I have to have money in advance just to pay the crew wages when the time comes, as well as just to install the air conditioning, a couple of air conditioning units to improve a little better the conditions of the vessel, which Mr. Amanatides said no problem, we'll get it, and just finally he left because it was a very short time at lunch.

Q Did the performance of the ship improve after this meeting in London?

A No.

Q Directing your attention to January of 1972, do you recall a meeting in Caracas concerning the Aquario?

A Yes.

Q Who was at that meeting?

A Mr. Sheneman, Mr. Hanlon, I guess Mr. Naslas, Captain Nout and myself.

Q What was discussed at this meeting?

A Again the performance of the ship.

Q Under the charter?

A Yes.

Q Was this one meeting or several meetings in Caracas?

A I recall only one meeting being myself there.

Q Besides yourself did anyone else assist in the actual operation of the Aquaria?

A At the time I was handling the ship?

Q Yes.

A My company, my employees and, of course, in behalf of the owners somebody was handling it. I don't know.

Q Did you ever learn about a change in the length of the charter party?

A Yes.

Q From 33 months to 42 months?

A The change. I don't remember how long it was but I was told just to -- there has been a change on the charter party, yes.

Q Did anyone inform you?

A Yes, Captain Nout.

Q What did Captain Nout inform you?

MR. SPRIZZO: Objection, hearsay.

MR. GLEKEL: Let me strike the question.

Q Did you ever sign any charter agreement on the Aquaria or on the Dedone, renamed the Aquario, other than the 33-month charter agreement?

A Another charter party?

Q Yes, other than the two-year nine-month charter party.

A No.

Q Did you ever agree to a change in the terms of the charter?

A Yes. Captain Nout sent me a copy of the charter party, which was not the original one.

Q Was that a charter party that you agreed to and entered into?

A No. The one I agreed to was the original one, the one I signed. The one I got from Captain Nout was another one.

Q Without your signature on it?

A Right.

MR. GLEKEL: No further questions, your Honor.

THE COURT: Any cross?

gwlt 1

CROSS EXAMINATION

BY MR. SPRIZZO:

Q Mr. Huerta, when did you first meet John Sheneman?

A When?

Q Yes.

A I would say 1959 or so.

Q Was your relationship with him a close relationship?

A Close, yes.

Q It was social as well as business?

A I would say friendship and business too.

Q In other words, you regard him as a personal friend?

A Pardon me?

Q You regarded him as a personal friend?

A Yes.

Q And you also had business relationships together?

A Right.

Q Is that correct?

A Right.

Q Did you know what Mr. Sheneman's background was?

A Yes.

Q Did you know he was at one time a Deputy Attorney

General of the United States?

A Yes.

Q You knew he was an attorney?

A Yes.

Q When did you first meet Mr. Hanlon for the first time?

A Well, I cannot remember when, but he was at the time working with a firm called Zock, Petrie, Sheneman & Reed. Maybe seven years ago. I can't remember.

Q You don't have a personal friendship with Mr. Hanlon, is that correct?

A No, we got -- well, we had a relationship because I was working with that firm. He never handled our matters, only Mr. Sheneman was.

Q In other words, would it be fair to say that your relationship with Mr. Hanlon was essentially limited to business transactions?

A I would say so.

Q You never socialized with Mr. Hanlon the way you socialized with Mr. Sheneman?

A No.

Q When you found about the possibility of buying the Petorolasa, you contacted Mr. Sheneman, is that correct?

A Yes.

Q When you found out about the possibility of this charter that Shell had available, you contacted Mr. Sheneman, isn't that correct?

A Yes.

Q On the Aquario, did you testify that originally you were supposed to get -- you were supposed to be president of the company which was going to own the Aquario?

A Yes.

Q Were you supposed to have what -- 50 percent of the ownership of the company?

A No, at that time I was supposed to get the business for myself, if I can raise the money just to buy the ship, which I wasn't able to raise.

I explained to -- Sheneman said it is difficult to get this money. I got people interested in getting this business and get it with the Greek interests.

Q At least at the very beginning, and we are confining ourselves to the Shell charter, Aquario, Dedone situation, that was supposed to be at the outset of your deal, is that correct?

A Yes.

Q You just assisted -- you just requested Mr. Sheneman to assist you with the financing on the deal?

A Yes.

Q What was he supposed to get for assising in the financing of the ship?

A I don't know. Maybe his fees. We never discuss with any paper on that.

Q Were any papers prepared, any documents prepared which would make you president of the company?

A If there were, I never saw it.

Q Then there came a time, as I understand your dir testimony, when Mr. Sheneman indicated to you that the financing could not be raised so that you could operate the ship?

A Right.

Q And then he indicated to you that someone else was interested, is that correct?

A Yes.

Q Is that when they called you to New York, to come and sign some papers?

A After that, yes.

Q I think you testified you did go to New York, is that right?

A I came to New York, yes.

Q Do you know what papers you signed?

A No.

Q You just signed some papers without even reading

them, is that correct?

A Yes, sir.

Q In so doing, were you relying upon Mr. Sheneman?

A Yes.

Q In other words, he was the man you trusted, is that correct?

A Yes.

Q And based upon his say-so, you should sign these papers, you signed them?

A Yes, Mr. Sheneman and Hanlon as well.

Q Even though you had never read them, is that correct?

A Yes.

Q You did that in good faith, did you not?

A It is true.

Q Isn't it true that the Dedone never served under the charter?

A It is true.

Q So even though the charter initially called for the Dedone to serve as the charterer, as a matter of fact, it never did?

A It is true.

Q The Aquario was substituted right at the very beginning of the charter, is that correct?

A It is true.

Q I think you testified that on the Aquario situation as it generally became structured, you were supposed to get what, 10 percent?

A I was promised 10 percent and the management of the vessel for the time of the contract.

Q You would earn certain fees for managing the vessel?

A That is true.

Q I take it you never got the 10 percent, is that true?

A No, sir.

Q Did you ever get any fees for managing the vessel?

A Yes, later on. It was not easy to get it. I got it finally.

Q I think you testified on direct examination about certain performance problems the ship had, is that correct?

A Yes.

Q Would it be fair to say that the Aquario, because of its mechanical breakdowns and such, it was a ship that was constantly in need of cash?

A It is hard for me to answer that question. I don't know.

gwit 7 Huerta-cross

Q I will rephrase the question:

Was one of the performance problems a question of mechanical breakdowns?

A Yes, poor pumping capacity and breakdowns, high boiler consumption and complaints from the charterer.

Q Isn't it true one of the problems on the ship was that the pumping capacity was not really adequate for the typ of cargo it was carrying?

A Yes, as far as I can recall, yes.

Q Really wasn't suitable to that charter, is that right?

A Well, I will not say so. If you put the vessel in good running condition, it will --

Q Its pumping capacity was not adequate?

A That was because it was not in good condition, the pumps.

Q The actual pumping capacity of the ship was not really sufficient to do the job that it had to do?

A I have to look on the charter and the performance of the vessel.

Q Were there problems with the crew being paid?

A Yes.

Q And the master being paid?

A As far as he told me, yes.

Q As far as who told you?

A The Captain. I never handle any monies to pay the crew and the Captain.

Q In other words, it was a situation where there was a constant need for cash to cover the crew and the Captain and the master of the ship?

A Yes.

Q And these were the things that you were complaining to Mr. Sheneman about?

A In London I complained to Mr. Hanlon and Mr. Amanatides. If they want for me just to keep going on this operating the vessel, I required just certain amount of cash, which is about $30,000, I remember, was asking; just to pay the wages and time and improve the conditions of the vessel as far as I could with some air conditioning units or something like that.

Q Did you ever complain to Mr. Sheneman about the performance of the ship?

A No.

Q Mr. Sheneman was at the meeting in London, was he not?

A Yes.

Q He was at the meeting in -- was he at the meeting in Curacao.

A Yes.

Q He was at the meeting in Caracas?

A Yes.

Q So that anytime you had a meeting at which you raised problems with respect to the operation of the ship, Mr. Sheneman was present, too?

A It is hard to answer that.

Q At the three meetings you testified to, Caracas, Curacao and London, he was there?

A Mainly the conversation was held on this basis, yes.

Q As far as you knew, Mr. Sheneman was still connected with the Aquario, isn't that true?

A I can't assure that.

Q As far as you knew.

A As far as I knew.

Q Did you ever have any conversations with Mr. Naslas about the operation of this ship?

A I guess later on when I came from New York, just in a matter of -- just a short time, it was failing, the connection, and somebody was handling this vessel from New York until it comes a time when it disappeared completely, any relation between myself and operating the vessel. I assume that somebody from New York was operating the vessel.

Q In terms of your dealings, did you have any contacts with Mr. Naslas on the ship?

A It has to be. Mr. Naslas was at that time in New York operating this vessel.

Q My question:

You do not recall any contacts with Mr. Naslas?

A No, I don't recall.

Q For the most part, your contacts were with Mr. Amanatides?

A No, no. The only way I got in connection with Mr. Amanatides was in London for about thirty minutes.

Q How many times did you see Mr. Naslas during the time the ship was being managed?

A I can't remember how many times. Not many, because there was no connection at the time, two or three times.

Q At best, two or three times?

A Maybe.

Q I take it you have never met or dealt with Mr. Katritsis, is that true? Do you know a Paul Katritsis?

A No.

Q Never met him?

A No.

Q On the Petorolasa, I believe you testified that

Zock, Petrie got paid a certain fee?

A Yes.

Q What did you testify they were paid?

A I guess it was $33,000. It is a check. It says the exact amount for that, what the fees were.

Q Was that for legal fees?

A For legal fees, I guess.

Q As far as you know, did they do any legal work?

A No, I don't know.

Q That $33,000, did that come out of your share of the commission, or whose share did it come out of?

A It was out of the total commission.

e 3A p.m.

hplt 1 Huerta-cross/redirect

Q In connection with the cash needs of the ship, did Mr. Sheneman bring any cash down?

A In cash?

Q Did Mr. Sheneman bring any cash down to cover operational costs of the ship?

A Cash, no.

Q Did he bring any checks?

A We got the commission you mean?

Q In connection with the cash needs for the operation of the vessel.

A No, I never got any cash at all, no.

MR. SPRIZZO: No further questions.

REDIRECT EXAMINATION

BY MR. GLEKEL:

Q As far as you know, did Mr. Hanlon have an interest in the Aquario?

MR. SPRIZZO: Objection, unless based on personal knowledge.

THE COURT: Please, that is not an appropriate form of objection. I don't expect it to be repeated again.

Go ahead. You may ask that question.

Q As far as you know, did Mr. Hanlon have an interest in the Aquario?

A As fat as I know, yes, he had an interest, but I

cannot prove anything. I assume.

Q Why did you complain to Mr. Hanlon in London?

A Well, I complain about the performance of the ship.

Q But why did you make these complaints to Mr. Hanlon?

MR. SPRIZZO: Objection.

THE COURT: Overruled.

A Shall I go --

THE COURT: Why did you address a complaint to Mr. Hanlon in London?

THE WITNESS: Because I got from the crew, the Captain, complaints that they was not getting a good --

Q Why was Mr. Hanlon the person --

THE COURT: Why did you select to speak to Mr. Hanlon in that connection?

THE WITNESS: I did not select. We got this meeting with Mr. Sheneman there, Mr. Hanlon was there, and it seems to me the way he was talking I should explain to him.

MR. GLEKEL: No further questions, your Honor.

RECROSS EXAMINATION

BY MR. SPRIZZO:

Q Do you have any personal knowledge as to whether or not Hanlon did or did not have an interest in the Aquario?

Do you know of your own personal knowledge?

A No, I don't have any.

Q When did Captain Nout advise you that the charter had been changed?

A Maybe -- I can't recall -- maybe January, January '72. I can't remember exactly.

Q '72?

A Yes.

Q Are you sure of that?

A No, I'm not sure.

REDIRECT EXAMINATION

BY MR. GLEKEL:

Q Captain Nout advised you that the charter had been changed or that there was a charter in existence which claimed that the terms had been changed?

A No. He told me it was a new charter, it was not the original one, it has been false. His signature was not there and he sent me a copy.

Q He told you the new charter was false?

A Yes.

MR. GLEKEL: Nothing further, your Honor.

MR. SPRIZZO: Nothing further.

(Witness excused.)

MR. GLEKEL: The government calls Gerard Nout.

hplt 4 Nout-direct

GERARD NOUT, called as a witness on behalf of the government, having first been duly sworn, testified as follows:

THE COURT: What is the locality where you reside?

THE WITNESS: Caracas, Venezuela.

DIRECT EXAMINATION

BY MR. GLEKEL:

Q What business are you in?

A Marine business, sir.

Q Directing your attention to 1971 and 1972, what company were you associated with at the time?

A Shell de Venezuela.

Q What were your duties?

A I was their marine manager, in marine affairs in the Caribbean.

Q Did you deal at all with ship charters?

A Yes.

Q What were your duties in connection with charters?

A We obtained the ships for any length of time, time charter, voyage charters, and let them work in the Caribbean.

Q What did you need the ships for?

A To carry oil.

Q How did you determine the length of the charters which you would enter into?

A If you have a time charter, there is a period mentioned in the time charter party.

Q How do you decide how long you are willing to charter the ship for?

A In our case, it hangs on to the oil contract you have as your clients.

Q Directing your attention to 1971, did there come a time when you offered a two year, nine month charter to an individual by the name of Salvador Huerta?

A That's right.

Q What happened after you made this offer?

A You make the offer and then you sign the charter party afterwards.

Q What happened in this particular instance, after you contacted Mr. Huerta, concerning the charter?

A He offered me ship for that particular period.

Q Do you recall the name of this ship?

A Dodone.

Q After he offered this ship, did you enter into a charter agreement?

A Yes.

He offered me a replacement ship before that ship

started to operate.

Q What ship was the original charter party entered into on?

A Dodone.

THE COURT: How do you spell that?

THE WITNESS: D-o-d-o-n-e.

THE COURT: What was the replacement's name?

THE WITNESS: Aquario.

Q Let me show you Government's Exhibit 301 in evidence, which is a charter party on the Dodone or similar substitute for a term of two years and nine months.

Let me ask you, sir, whether this is a copy of the charter party that you entered into.

A Yes, this is the one.

Q How do you recognize it?

A By my initials on each page and the final signature.

Q The final signature is yours?

A That's right, sir.

Q You mentioned that a time came when another ship by the name of the Aquario was substituted for the Dodone, is that correct?

A That's right.

The Dodone never worked actually. She was replac

right from the beginning.

Q Was there an addendum entered into reflecting this change?

A Yes.

Q Is that part of this exhibit?

A That's right, addendum number 1.

Q What does addendum number 1 provide for?

A That the ship Aquario will take the place of the Dodone.

Q Did you sign this addendum as well?

A Right.

Q Let me show you a charter party contained in Government's Exhibit 42 in evidence which is the National Bank of North America closing the Aquario and the charter party itself has been marked as 42D, for identification and it is a charter party which purports to be for a period of three years and six months.

Let me ask you, sir, whether Shell ever entered into that charter party agreement.

A No, sir.

Q And what are your reasons for that conclusion?

A First, we never entered into a charter party of three years and six months, as I said before and the signature under here is not mine.

Q What about the ship referred to as being the subject of that charter party?

A This is in the name of the Aquario, not the Dodone.

Q Have you identified what is true, what is in the name of the Dodone?

MR. SPRIZZO: Objection.

THE COURT: Overruled.

A The Dodone was mentioned in the first charter party and the Aquario is mentioned in the second charter party.

MR. GLEKEL: At this time I would like to read to the jury Government's Exhibit 303 in evidence, which is a telex.

THE COURT: All right.

(Mr. Glekel read to the jury from Government's Exhibit 303 in evidence.)

Q To the best of your recollection, Captain Nout, is the Aquario only mentioned in addendum number 1 to the true charter party?

MR. SPRIZZO: Objection. The document speaks for itself.

THE COURT: Where in the charter party is the mention of the Aquario?

THE WITNESS: The Aquario is mentioned in the addendum number 1.

Q Is it mentioned at all in the main body of the charter party?

MR. SPRIZZO: Same objection.

A No, sir.

THE COURT: Objection is overruled.

A No, sir.

Q Did a time come when the Aquario began serving under the charter party?

A Do I remember the date?

Q Not the precise date, but directing your attenti to the summer of 1971, at some point during that period, did the vessel begin operating under the charter?

A Yes, it did operate, yes.

Q How do you describe its performance?

A Extremely poor.

Q What do you mean by poor, in what respect?

A The operation of the ship, fuel consumption, water consumption, poor pumping. The operation was one of th poorest ships I have seen in my life.

Q Was its operations consistent with its obligation under the charter party?

MR. SPRIZZO: Objection.

THE COURT: Sustained.

Did it perform under the charter party?

THE WITNESS: No, sir.

Q Directing your attention to January of 1972, do you recall a meeting in Caracas concerning the Aquario?

A Yes, sir, I do.

Q Who was present at this meeting?

Was it one meeting or more than one?

A I think we had two meetings. Mr. Sheneman, Mr. Hanlon, Mr. Naslas and I believe Captain Huerta, but I'm not sure if he was present.

Q What was discussed at this meeting or at these meetings?

A Mostly deductions because I had deducted so much money from their rental rates, hire rates, there was very little money left over. That was the discussion about the performance clauses about the deductions I had made.

Q What do you mean by deductions?

A Financial deductions because of poor performance.

Q Deductions from what?

A From the charter hire.

Q Were the terms of the charter party discussed at the meeting?

A Not the terms of the charter party, no, sir.

Q The performance under the charter party?

A Performance clauses, yes.

Q Let me show you Government's Exhibit 5D in evidence which is a letter dated January 28, 1972 and address to you.

Do you recall seeing that letter?

A Yes, sir.

Q Is this letter related to the meetings in Caracas?

A That's right, sir.

MR. GLEKEL: Your Honor, I would like to read a portion of that letter to the jury.

(Mr. Glekel read to the jury from Government's Exhibit 5D in evidence.)

Q Was the length of the two year, nine month charter party ever altered?

A That length was not altered, no, sir.

Q Did you ever enter into any agreement increasing the length of that charter party?

A No, sir.

Q Where was the Aquario operating during January and February, 1972?

A In Venezuela, Curacao, Dominican Republic.

Q Was it ever up the east coast of the United States?

A No, sir.

Q Was it ever to New York?

A No, sir.

Q Did a time come when another ship was substituted for the Aquario under this charter?

A When she broke down, yes, sir.

Q Do you recall the name of that ship?

MR. SPRIZZO: Objection.

THE COURT: Overruled. Do you recall the name?

A Anasstasis.

MR. GLEKEL: No further questions, your Honor.

CROSS EXAMINATION

BY MR. SPRIZZO:

Q You testified in response to Judge Pollack's question that the Aquario did not perform under the charter. Did you mean by that testimony that it did not perform at all or did not perform well?

A I said it performed poorly.

Q But it did perform under the charter? It actually made trips under the charter?

A It made trips.

Q What you mean in your answer to Judge Pollack's

hph 2 Nout-cross

question was, it did not perform satisfactory to you but it was operating under the charter?

A It was operating, but very poorly, yes.

Q Do you have any personal acquaintance with Mr. Hanlon?

A No, sir.

Q Have you ever met him?

A I met him in Caracas, yes, sir.

Q Was that the only time?

A Yes.

Q Do you know Mr. Sheneman?

A Yes, sir.

Q When did you first meet Mr. Sheneman?

A I think also in Caracas when he came down.

Q Was that the only time?

A I met him afterward but not before.

Q You met him afterwards in connection with unrelated matters?

A With other matters, yes.

Q Having nothing to do with this case?

A No.

Q When you say no, you mean it had nothing to do with this case?

A Nothing to do with this case.

hph 3 Nout-cross

Q When were you first informed that the charter party submitted to the Bank of North America was different than the charter party you had signed?

A Because the bank sent to th charter party to my office.

Q When was that?

A The date I don't remember.

Q Do you remember approximately when it was?

A Early '72 probably.

Q Early '72?

A Yes.

Q Would it refresh your recollection if I told you it was early '73?

A I don't remember.

Q You don't remember it was.

By the way, you were asked some questions about the Anasstasis. That ship performed very well under the charter, did it not?

A It performed according to the charter party. I won't say very well.

Q You were not dissatisfied?

A I was not dissatisfied, no.

Q As a matter of fact, I think you canceled out the Aquario because the Anasstasis was doing a better

job than the Aquario, isn't that right?

A Yes.

Q Do you remember being interviewed by the FBI in connection with this case?

A Interviewed by the FBI?

Q Were you interviewed by anyone in this case prior to your testimony?

THE COURT: Is this a different question?

MR. SPRIZZO: Yes.

A I was interviewed by the U.S. Government in the embassy in Caracas, yes.

Q Do you recall when that was?

A About a year ago maybe, six months ago.

Q Do you remember at that interview stating that on December 27, 1972, Compania Shell De Venezuela received a letter from the National Bank of North America dated December 18, 1972; this letter enclosed a copy of a charter purportedly made between Southeast Tankers Company Limited and CSV for the services of the Aquario for a period of three years and six months, the National Bank of North America inquired as to the authenticity of this charter?

A Yes.

Q Does that refresh your recollection as to when

you learned abc t the charter the bank had being different than the charter you had signed, as to the approximate date?

A I wouldn't know the approximate date.

Q But you did tell them at that time it was in December of 1972?

A Right, because I had it in my hands probably.

Q Did they show you any documents at that time of that interview?

A Yes.

Q Who interviewed you from the embassy?

A I don't know.

Q There came a time, did there not, when the North American Bank took over operations of the Aquario or at least took supervision?

A Can you repeat that?

Q Do you recall whether there came a time when the Bank of North America got involved in the operation of the Aquario?

A Yes.

Q Do you recall when that was?

A The name of the bank?

Q Do you recall when that was?

A The date? No, I don't remember.

Q The approximate time?

A No.

Q Would it have been in the fall of 1972?

A Could be, but I don't remember.

Q When did you cancel the charter on the Aquario finally?

A After the meeting we had in Caracas.

Q When was that meeting?

A In January, '72.

Q How long after that meeting was the charter canceled?

A I don't remember any more. I got to look it up.

Q Do you remember the Bank of North America contact you to reconsider the question of canceling the charter on the Aquario?

A I think they sent a telex or a letter.

Q You don't remember when that was?

A No, sir.

MR. SPRIZZO: I have nothing further.

MR. GLEKEL: Nothing further, your Honor.

THE COURT: Thank you.You are excused.

(Witness excused)

MR. GLEKEL: The government calls John Sheneman.

J O H N S H E N E M A N, called as a witness, having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. GLEKEL:

Q Mr. Sheneman, what is your profession?

A I'm a lawyer.

Q How are you employed presently?

A I'm counsel to Freehill, Hogan & Mahar.

Q Directing your attention to 1970 and 1971, what firm were you associated with at that time?

A Zock, Petrie, Sheneman & Reid.

Q Was James Hanlon employed there during that period?

A He was.

Q In what capacity?

A He was a partner.

Q Did the firm have a client by the name of Tidal Marine International Corporation?

A It did.

Q To your knowledge, did Mr. Hanlon work on Tidal Marine matters?

A He did.

Q What part of his time was spent on this matter?

A The major portion of it. I would say 90 to 95

percent.

Q Do you know an individual by the name of Harry Amanatides?

A I have met him.

Q Do you know whether Mr. Hanlon is acquainted with him?

A He is.

Q Do you know whether he has a close social relationship with him?

MR. FLEMING: Objection.

A I think he does.

MR. FLEMING: I object to the form of the question and move to strike the answer.

THE COURT: Overruled. Motion denied.

Q Directing your attention to late 1971, early 1972, did there come a time when you and Mr. Hanlon left Zock, Petrie?

A We did.

Q Did you set up law offices together?

A We did.

Q What was this firm called?

A Sheneman & Hanlon.

Q What happened to the Tidal Marine account at this time?

A Mr. Hanlon took it with him, brought it into the new office.

Q Did Sheneman & Hanlon have any retainer arrangemen with Tidal Marine?

A We did.

Q What was that?

A It was $5,000 a month but it was only paid for four months.

MR. FLEMING: If your Honor please, I don't think that is responsive. I would like to strike the last part of the answer.

THE COURT: Are you going to follow it up?

MR. GLEKEL: In my next question, yes.

THE COURT: All right. Motion denied.

Q Mr. Sheneman, how much of your time, if any, did you devote to Tidal Marine legal work?

A 5 percent, perhaps.

Q Did there come a time in Septembe. or October of 1971, when you learned about a ship by the name of the Trechon?

A There did.

Q How did you learn about it?

A I learned it from Captain Huerta.

Q What did he tell you?

A He told me there was a ship owned by some Venezuelan owners and they wish to sell it and in his opinio it was worth about $5,000,000 and he thought it might be purchased for a million and a half.

Q Did you do anything as a result of receiving this information?

A I did.

Q What was that?

A I made an offer on the ship.

Q Do you recall the approximate amount of the offer?

A I believe the first offer was a million and a half and it was increased until we arrived at three and a half million.

Q Was that offer accepted?

A It was.

Q In whose name were these offers made?

A West Shore Tankers.

Q What was West Shore Tankers?

A It was a Panamanian company.

Q Who were the principals in it?

A Myself.

Q Did there come a time when you entered into a memorandum of agreement for the purchase of the

Trechon for three and a half million dollars?

A There did.

MR. FLEMING: Your Honor, may I speak to Mr. Glekel?

THE COURT: Yes.

Q Did you have any discussions with James Hanlon concerning the Trechon?

A I did.

Q What were the discussions?

A Whether we could find a buyer for the vessel on a resale.

Q To the best of your recollection, what did you say to him and what did he say to you?

A I told him what had transpired and I told him we had in mind that Chandris might buy it or Caras, and he thought Mr. Amanatides, Tidal Marine might buy it.

THE COURT: You said you thought whether "We could find a buyer." What did you mean by that?

THE WITNESS: He and I.

THE COURT: What was his interest in the Trechon?

THE WITNESS: He is a partner of mine, sir.

THE COURT: Partner in the ship?

THE WITNESS: He was a partner of mine and whatever we did, we did together.

THE COURT: Did you do the Trechon deal together?

THE WITNESS: We did.

THE COURT: So that he had an interest with you in the Trechon?

THE WITNESS: He did.

T4A

Q Did you hear anything further from Mr. Hanlon after he made a statement that Harry Amanatides and Tidal Marine might be interested in it?

A He went to London and Tidal Marine agreed to buy it.

Q Who told you that?

A He did.

Q What happened then? Excuse me. For how much did they agree to buy it?

A 3,500,000 plus 750,000.

Q What did you say in response to this?

A I thought it was a good deal.

Q Did you have any discussions with Mr. Hanlon as to what would happen to the $750,000?

A We did, yes.

Q What was said?

A Well, we agreed that he was to receive 325,000, Captain Huerta was to receive 100,000 and I was to receive 325,000.

Q Directing your attention to October of 1970, did a time come when a deposit of $350,000 was made on the purchase price of this ship?

A There did.

Q How was that made?

A Mr. Hanlon arranged for it when he was in London and it was made in one of the banks in New York, and I really can't remember which one it was.

Q Did a time come prior to the closing of the purchase of the ship that there was a change in the purchase price?

A There was.

Q How did this come about?

A When the vessel went into drydock they found she needed certain repairs and the purchase price of three and a half million was reduced by whatever it would cost to do these repairs.

Q Do you recall the approximate amount of that?

A 150,000, something like that.

Q Was the $750,000 to be received in addition to the reduced purchase price or in addition to the original purchase price?

A In addition to the reduced price.

Q Who actually took title to the vessel at the time of the purchase?

A I think it was the corporation called Deneb.

Q Is that a Tidal Marine subsidiary?

A It is.

Q Did you enter into any arrangements for the

distribution of these $750,000?

A I discussed it with Mr. Hanlon.

Q What arrangements were finally made?

A It was distributed in accordance with what I have testified to.

Q Precisely how were the funds transferred? Do you recall what bank accounts they went into?

A Mine went into the Irving Trust Company in London. I believe Mr. Hanlon's went into an account of his called Kowloon and Captain Huerta's was sent to him in Maricaibo or some offshore point.

Q Mr. Sheneman, did your $325,000 go directly into your Irving Trust account or did it go to another account first?

A Mr. Hanlon had it then he transferred it over to the Irving Trust account.

Q In what account did Mr. Hanlon have it in?

A I believe he had it in Kowloon.

Q Do you recall a company by the name of Kowloon Tankships?

A Yes.

Q Whose company is this?

A That's Mr. Hanlon's.

Q In connection with the Tekton, did you receive

any funds in addition to the $325,000?

A There was a brokerage of 5 percent and that was split up in this way: The broker in Venezuela got 2 percent, Captain Huerta got 1 percent, the law firm of Zock, Petrie, Sheneman & Reid got 1 percent and Mr. Hanlon and I split 1 percent.

Q What was the approximate value of 1 percent on the brokerage commission?

A 17,500, roughly.

Q Is that 1 percent or one-half of 1 percent?

A That's a half of a percent.

Q That is the amount that you and Mr. Hanlon received each?

A That is correct.

Q Are you aware of what the financing arrangements were to provide funds for the purchase of the Trechon?

A I did not.

Q Did you participate in these arrangements at all?

A I did not.

Q Did you do any legal work in connection with the law on the Trechon?

A Not to the best of my knowledge.

Q Directing your attention to the spring of 1971, did a time come when you learned about the avaiilability

of a charter?

A Yes.

THE COURT: On what?

MR. GLEKEL: Of a charter party, a time charter.

THE WITNESS: Yes.

Q What is it that you learned and from whom?

A I learned from Captain Huerta that there was--that Shell was in the market for a ship for three years and I discussed this with Mr. Hanlon.

Q What did you discuss with Mr. Hanlon?

A The period, the approximate size of the vessel and I believe we had some discussion about the feasible rate.

Q Was the charter party as finally entered into for three years?

A No, it was two years and nine months because the vessel that was ultimately selected was not ready when it should have been and so the three-year period was reduced to two and a half years and nine months.

Q Did Mr. Hanlon say anything when you informed him of the availability of the charter?

A He said he thought that Tidal Marine or Amanatides might be willing to take the vessel on charter.

Q Did you have any discussion at that time with

Mr. Hanlon concerning financing arrangements for the vessel?.

A I may have. I don't recall.

Q Did anything happen thereafter?

A The vessel was purchased.

Q Do you recall the purchase price, the approximate purchase price?

A I believe 780,000.

Q Who was it purchased by?

A I believe Southeast Tankers.

Q Mr. Sheneman, did you have any interest in the ship?

A I did.

Q How did that come about?

A I put $57,500 into the ship and I got a 20 percent interest.

Q Did Mr. Hanlon have any interest in the ship?

A He did, the same interest, and he put the same amount of money.

Q $57,500?

A That is correct.

Q Who else owned interests in the ship?

A Captain Huerta owned 10 percent. He was given that without -- without putting any money in simply

he had founded the charter.

Q What about the remaining 50 percent?

A I was never quite sure who held the remaining 50 percent. I simply assumed, although nobody told me--

MR. FLEMING: Objection.

THE COURT:You stopped him.

Go ahead.

MR. FLEMING: I just stopped to make an objection.

THE COURT: This is one time when the signal works.

MR. FLEMING: I will keep making it, your Honor. I was just trying to stop the answer to make my objection.

THE COURT: I understand. It's legitimate.

Q Mr. Sheneman, if you don't recall the names of the other people who owned the 50 percent, do you recall the company they were asscciated with?

A Tidal Marine.

Q Did there come a time when you actually deposited your $57,500 that went toward the purchase of the ship?

A There did.

Q What account did you deposit it into?

A Kowloon Tankship.

Q Mr. Hanlon's account?

b224 A That's correct.

Q Was the Aquaric the ship that was attached to

the 33-month charter?

A I can't remember whether there was a ship ahead of the Aquario or whether the Aquario ultimately went on that charter. I don't know whether there was a vessel in between there or not.

Q In other words, the charter party may have been entered into originally on a different ship?

A That's correct.

Q And the Aquario may have been substituted?

A Correct.

Q Did you participate in arranging the financing of the purchase of the ship?

A I did not.

Q Were you aware that there was a loan involved?

A I was.

Q How would you describe the Aquario's performance under the charter party?

MR. FLEMING: I object, your Honor; hearsay.

THE COURT: Do you know the manner in which the Aquario performed?

THE WITNESS: I do, sir.

THE COURT: You may state it.

THE WITNESS: Very badly.

Q Directing your attention to October of

1971, do you recall a meeting in Curacao concerning the operation of the Aquario?

A I do.

Q Who was present at that meeting?

A Captain Huerta, Mr. Hanlon, I believe Mr. Naslas and myself.

Q Do you recall a meeting in London in October also concerning the Aquario?

A I do.

Q Who was present at this meeting?

A Captain Huerta, Mr. Hanlon, Mr. Amanatides, Mr. Livas and myself.

Q What was discussed at the London meeting concerni. the Aquario?

A The failure of the company to get funds to Captain Huerta to pay the crew and as far as expenses and the bad performance of the vessel.

Q Do you recal. why Mr. Hanlon and you attended tha. meeting?

A Well, I think I was in London on other business but Mr. Hanlon and I had an interest in the ship.

Q Directing your attention to January of 1972, do you recall a further meeting concerning the Aquario in Caracas, Venezuela?

A I do.

Q Who was present at this meeting?

A Captain Nout, Captain Huerta, I believe Mr. Hanlon, I don't believe Mr. Naslas, and myself.

Q What was discussed at this meeting?

A The fact that Shell was making deductions from the charter hire and nobody could live with the arrangement as it was, with the performance of the vessel as it was.

Q At this time, to the best of your recollection, was the vessel still on the original 33-month charter?

A It was.

Q Are you aware of any increase in the term of the

time charter?

A I am not.

Q Do you recall a loan extended by the National Bank of North America in late January, 1972, the refinancing of the Aquario?

A I do not.

Q Did you participate in any way in the legal work associated with that loan?

A I did not.

Q Did you ever discuss that loan with Mr. Hanlon?

A Not to the best of my recollection.

Q Directing your attention to early 1972, do you recall a conversation at about thattime with Captain Huerta concerning the Aquario?

A I'm afraid you will have to be more specific. I had numerous conversations with Captain Huerta about this vessel.

Q Do you recall a conversation on the subject of whether the Aquario had been sold?

A I received -- I do.

Q What was said?

A I received a telephone call from him one day and he said, "Do you know that the Aquario has been sold?"

And I said, "No."

Q Did you do anything as a result of that conversation?

A I spoke with Mr. -- I spoke to Mr. Hanlon about my information.

Q What did you say to him and what did he say to you?

A I said, "I received a telephone call from Captain Huerta. He says the Aquario has been sold."

And Mr. Hanlon said, "How could it be?"

Q Did he say anything else?

A He said -- made an investigation I think, and told me the next day or the same day or shortly thereafter, that it was not true.

Q Was anything said about the books and records of the Aquario?

A He mentioned the fact that it could not be done because we had all the books and records.

Q Of the owning company?

A Correct.

Q Directing your attention to the spring of 1972, do you recall any conversations with Mr. Harry Amanatides concerning the Aquario?

A Mr. Hanlon and I met him in New York. He was in there very briefly. He said that he was rearranging the financing on his entire fleet and if successful, we would get

our money back.

Q On the Aquario?

A The money that we put in on the Aquario, yes.

Q Directing your attention to the summer, to June or July 1972, do you recall having any further conversations with Mr. Hanlon concerning the corporate records of Southeast Tankers,the company owning the Aquario?

A No, I'm afraid I don't.

Q Do you recall any conversations with Mr. Hanlon concerning the refinancing of the Tidal Marine fleet by the banks?

A Only the conversation that he and I had with Mr. Amanatides.

Q Do you recall any conversation concerning furnishing the stock of Southeast Tankers to the bank?

A I do.

Q What was this conversation?

A I was out of the office one day and I received a call from Mr. Hanlon and he said he needed or the bank needed the stock book in furtherance of Harry's plan, Mr. Amanatides' plan, to refinance the fleet, and I told him, "Go ahead and send the stock certificates up to the bank."

Q Mr. Sheneman, let me show you a file which has been marked as Government's Exhibit -- I forget the number -- it is

right on the outside.

A I can't tell whether it is 928 or 428.

Q It is 928 for identification.

Would you look at the inside of that file; do you recall previously producing this file?

A I do.

Q Do you recognize it?

A I do.

Q Where were this file and its contents maintained prior to your production of it?

A In my office.

Q At what office? At your law offices?

A At my law office, right.

THE COURT: What was the name of that law office?

THE WITNESS: Sheneman & Bissell, the firm name, and by now it has been changed, your Honor.

Q Prior to the opening up of that law office, where was this file maintained?

A In Sheneman & Bissell.

THE COURT: Prior to Sheneman & Bissell, where was it maintained?

THE WITNESS: Your Honor, I don't know if this file was ever in Zock, Petrie, Sheneman & Reed or not. I don't remember the exact date we left there. If it were in

another office, it was in the office of Zock, Petrie, Sheneman & Reed.

Q What about Sheneman & Hanlon?

A That came later.

Q It was in Sheneman & Hanlon?

A Yes.

Q Who had access to this file?

A I did, Mr. Hanlon did, our secretaries did.

Q When you produced this file previously, do you recall being asked to identify a number of exhibits contained in it?

A I do.

Q Mr. Sheneman, let me show you these exhibits, and I will read their numbers into the record. My question will be whether you recall producing these exhibits as part of the contents of the file we have marked as 928 for identification.

The numbers of the exhibits are 317A, 317B, 319A, 323, 324, 319B, 322, 317, 320, 327, 325, 405, 326 and 318.

A I have and remember 325, 405 and 318. I have not -- these are not in order.

Q They are not in numerical order, no.

A That's right.

Q Please take your time.

A Was one number 327?

THE COURT: Yes.

Q Yes, sir.

A Yes.

THE COURT. Why don't you read off the numbers that you produced with that file. That would be the quickest way.

THE WITNESS: 404, 320, 317C, 322, 324, 321, 319B, 323, 319A, 319D 317A.

Q And you recall producing those as part of the file?

A I recognize that these were marked. I don't have really any independent recollection of each one, but they were all in the file, I'm sure.

THE COURT: You say you recognize them as being marked. You mean at the time you produced them they were marked?

THE WITNESS: Yes, sir.

THE COURT: How were they marked at the time?

THE WITNESS: They were marked in the grand jury proceedings.

THE COURT: All right.

Q Mr. Sheneman, who did the legal work in connection with the Aquario?

A Mr. Hanlon.

gwlt 8 Sheneman-direct

MR. GLEKEL: Your Honor, I would like to read the contents of a few of these documents.

THE COURT: All right.

(Mr. Glekel read from Government's Exhibit 404 in evidence to the jury.)

(Mr. Glekel read from Government's Exhibit 318 in evidence to the jury.)

(Mr. Glekel read from Government's Exhibit 327 in evidence to the jury.)

Q Mr. Sheneman, let me show you Government's Exhibit 326 in evidence and ask you what it is.

A It is a telex file.

Q Is that your file of telexes?

A Yes, it is.

Q What does the telex address topside indicate?

A That it is a telex address of Zock, Petrie, Sheneman & Reed.

Q Are these telexes that were maintained?

A They were.

Q At Zock, Petrie's offices?

A They were.

Q And after Mr. Hanlon and yourself left Zock, Petrie, was the file taken with you?

A It was.

MR. GLEKEL: Your Honor, I would like to read several telexes contained in this file to the jury.

(Mr. Glekel read from Government's Exhibit 326 in evidence to the jury.)

MR. GLEKEL: Your Honor, I believe that is all the documents I wish to read at this time.

I haveno further questions, your Honor.

THE COURT: We will take a short recess at this time.

The jury may go out.

(Recess.)

THE COURT: All right, Mr. Fleming.

CROSS EXAMINATION

BY MR. FLEMING:

Q Mr. Sheneman, my name is Peter Fleming, and I represent with Mr. Sprizzo and Mr. Mansfield, Jim Hanlon, Costas Naslas and Paul Katritsis.

Do you know Paul Katritsis at all?

A I have met him on several occasions sir. I used to see him come in and out of the office.

Q Out of what office?

A Sheneman & Hanlon.

Q This I take it would have been subsequent to the formation of Sheneman & Hanlon, which was on or about January 1, 1972?

A I can't tell you, Mr. Fleming. He may have been in the office of Zock, Petrie. I can't remember.

Q You do know Mr. Naslas?

A I do.

Q In connection with Tidal Marine International, am I correct that you understood Mr. Naslas was in on the operations side of the business?

A That is correct.

Q Did you have an opinion as to his honesty?

A Yes.

Q What was that opinion?

A Excellent.

Q You also met Mr. Amanatides?

A I did.

Q Way back then, did you have an opinion that Mr. Amanatides was also honest?

A I did.

Q And a personable man?

A He was.

Q Am I correct that you were for a period of time, Assistant Deputy Attorney General of the United States?

A I was.

Q When was that, sir?

A '58 and '59.

Q That would have been President Eisenhower?

A That is correct. The last two years of that administration.

Q Had you been a member of the Zock, Petrie firm before you took that public office?

A I had.

Q Did you return to the firm after the election of President Kennedy?

A Correct, or right before.

Q Parties changed.

BEST COPY AVAILABLE

When did Mr. Hanlon become associated with Zock, Petrie, to your recollection?

A I really can't tell you, Mr. Fleming.

Q Was it prior to Tidal Marine International?

A It was.

Q Did he come to the firm as a partner or as an associate?

A As an associate.

Q And then was admitted to partnership?

A That is correct.

Q Was that before Tidal Marine?

A I believe it was.

Q There came a time when at least some of the partners of the Zock, Petrie firm, yourself and Mr. Hanlon included, left the firm of Zock, Petrie, Sheneman & Reed.

A That is correct.

Q Am I correct that that split-up, leaving the firm, splitting the firm, had nothing to do with Tidal Marine International?

A Nothing whatsoever.

Q And am I correct that you and Mr. Hanlon then formed a law firm together?

A That is correct.

Q Did that law firm start business together on or

about January 1, 1972?

A It did.

Q You testified that Tidal Marine International had the firm of Sheneman & Hanlon on a retainer?

A That is correct.

Q That retainer was $5,000 a month?

A That is correct.

Q I take it from your testimony that retainer of $5,000 a month was paid for four months and then was not paid?

A That is correct.

Q So that would have been for January, February, March and April?

A That's correct.

Q You testified about, if I may, first a ship that was brought to your attention by Mr. Huerta, am I correct?

A I'm sorry, I don't understand the question, Mr. Fleming.

Q You testified in response to Mr. Glekel's questioning about Captain or Mr. Huerta bringing to your attention the availability of a ship for purchase?

A Right.

Q And then later you testified about Mr. Huerta bringing to your attention the availability of a charter.

A That is correct.

Q I would like to just question you in the first instance about the ship situation.

Am I correct that the ship opportunity was an opportunity different from the charter opportunity?

A That is correct.

Q And the ship opportunity came first?

A That is correct.

Q Did you -- Huerta called you or was in communication with you in any event, and told you there was a ship available which he thought was worth about $5,000,000.

A That is correct.

Q And that he thought the owners would be willing to sell it for some reason for substantially less than that?

A That is correct.

Q Did you know the name of the ship at that time, that is, when Huerta first spoke to you, as the Petorolasa?

A I have no independent recollection.

Q In any event, am I correct that initially you decided to attempt to purchase that ship -- was it alone or was it with Huerta?

A I hoped to resell the ship. I didn't have the funds to purchase the ship, Mr. Fleming, nor did Mr. Huerta.

Q The original combination of partnership was you

and Captain Huerta?

A That is correct.

Q And your hope was to buy the ship and resell the ship for a profit?

A That is correct.

Q I think you testified that you initially bid one million five and bidding went on and through negotiations it was finally agreed you and Captain Huerta would pay three million five for the ship?

A You are correct.

Q Did you testify at some time later it turned out some repairs had to be done on the ship so the purchase price was reduced?

A Right.

T5: Q Do you recall that the name of the owner of the ship at the time it was found by Captain Huerta was Commercial Petrolera Latino-american S.A. Caracas?

A The only thing I can tell you, Mr. Fleming, that there was something like Petrolera in the company name.

Q Let me show you this and see if it does refresh your recollection. This is A for identification. I will show you that name.

A That's the name.

Q And that is Commercial Petrolera Latino-american S.A. Caracas.

A Correct.

Q The offer to purchase the ship from that company was made by West Shore Tanker, which was your company?

A That is correct, sir.

Q And you were unable to find a buyer or the funds to buy it or financing?

A That's correct.

Q So you spoke to Jim Hanlon?

A That's correct.

Q And Mr. Hanlon thought that Tidal Marine might be interested in the ship, is that right?

A That is correct.

Q Tidal Marine was interested in the ship, is that right?

A They were.

Q And Tidal Marine agreed to pay a finder's fee or a commission of $750,000 to you and to Mr. Hanlon?

A That is correct.

Q So that Tidal Marine agreed to pay what you had agreed to pay for the ship, take over that obligation plus pay you and Mr. Hanlon a finder's fee of $750,000?

A Or whatever you call it.

Q Or whatever you call it.

And of that $750,000, you and Mr. Hanlon agreed that $100,000 would go to Mr. Huerta because he had found the ship in the first instance?

A Correct.

Q Am I correct that after this agreement was reached a subsidiary of Tidal Marine called Deneb Navigation was substituted as the purchaser?

A That is correct, sir.

Q And there was an assignment of the right to purchase the vessel which West Shore had and that right was assigned from West Shore, which was your company, to Deneb Navigation which was a subsidiary of Tidal Marine?

A That's correct.

THE COURT: Was West Shore your company alone?

THE WITNESS: That's correct.

THE COURT: Or did Mr. Hanlon have an interest in that?

THE WITNESS: He did not.

Q So that after the assignment then Deneb purchased directly from this Petrolera company?

A They did.

Q And Deneb deposited $750,000 in the account of Kowloon which was a Hanlon company?

A Yes.

Q Then Mr. Hanlon transferred your portion, plus the $100,000 for Mr. Huerta to West Shore?

A That's correct.

Q And you transferred $100,000 to Mr. Huerta?

A I don't know how Huerta got his money, from me or Mr. Hanlon. He probably got it from Mr. Hanlon.

Q But he got it?

A Right.

Q The way it broke down, you had earned $325,000, Mr. Hanlon $325,000 and Huerta $100,000?

A Correct.

Q And Deneb Navigation owned the ship?

A That's correct.

Q Then there was also the brokerage of 5 percent which was shared by Zock, Petrie, Mr. Hanlon, yourself and did you say Mr. Huerta too?

A Mr. Huerta, too.

THE COURT: Why was there a brokerage on top of the finder's fee?

THE WITNESS: Captain Huerta arranged that, if your Honor please, with the broker. It was something I had nothing to do with.

THE COURT: Why did Zock, Petrie get a piece of the brokerage and not a piece of the finder's fee?

THE WITNESS: Because that really wasn't a legal problem. I thought I had spent some time while in the office on this matter and I thought 1 percent to them would be fair.

Q Is it Captain or Mr. Huerta?

A Captain, sir.

Q It was later that Captain Huerta was in communication with you, Mr. Sheneman, and told you that a Shell Venezuela charter was available?

A That is correct.

Q That was a charter without a ship, is that correct?

A That's correct.

Q And first a ship called the Dedone was found?

A That is true.

Q Did Captain Huerta find that ship?

A I think he did.

Q And at that time the transaction was between you and Captain Huerta?

A True.

Q And then you were unable or he was unable or both of you were unable to finance the purchase of the Dedone?

A True.

Q And the charter was then presented as available to Tidal Marine, is that correct?

A That's correct.

Q And Tidal Marine was able to finance the purchase of a ship to carry that charter?

A Correct.

Q And that ship was named the Thornhill?

A The Thornhill.

Q And when Tidal Marine purchased it, it was renamed the Aquario?

A Correct.

T6A

Q And the charter which Captain Huerta had found went on that ship, if that's the correct term?

A That is correct.

Q Am I correct that title of that vessel was taken by Southeast Tankers?

A That is true.

Q So I was mistaken, it was taken by Southeast Tankers?

A Correct.

Q And you had a percentage of that company?

A 20 percent.

Q Mr. Hanlon had 20 percent?

A True.

Q Captain Herta had 10 percent?

A Correct.

Q And other individuals whom you believe were associated with Tidal had the remaining 50 percent?

A Correct.

Q And that company owned a single vessel, the Aquario?

A That's it.

Q Plus the charter?

A That's it.

Q All right.

You invested about $57,000 for that 20 percent ownership?

A True.

Q And Mr. Hanlon invested the same amount?

A True.

Q Am I correct that that money came from the $325,000 that you had earned as a commission on the sale of the Petoralasa which became the Trechon?

A True.

Q It was your intention to use those moneys to be in the shipping business?

A That's correct.

Q In the end you lost that $57,000; did you not?

A I did.

Q And Mr. Hanlon lost his $57,000?

A I assume he did.

Q You had a conversation with Mr. Amanatides, did you testify, in May of 1972 about Mr. Amanatides hoping to refinance his fleet?

A That is correct.

Q In May of 1972 did Mr. Amanatides tell you if he were able to refinance his fleet he would be able to give you and Mr. Hanlon your money back on that ship?

A He did.

Q I guess he wasn't able to do it?

A I never got it.

Q You never got it.

The charter, the second opportunity brought to your attention by Captain Huerta, the Shell charter, Captain Huerta told you that was for three years; is that right?

A That's correct.

Q Initially?

A That's correct.

Q In fact, he was telling you the truth, was he not, so far as you know?

A That's correct.

Q And then it became in effect a two-year nine-month charter because of some delay in tendering the vessel?

A That is correct.

Q You told Mr. Hanlon, am I correct, that the charter was a three-year charter?

A I did.

Q Did you ever tell Mr. Hanlon that it had been reduced in time to two years and nine months?

A We had a number of conversations and that came to our attention --

Q You may well have told him that?

A That's correct.

Q All right. You have also found in your file or did you testify that you found in your file a charter for the Aquario which was not for two years nine months but for three years and six months? I say you found that in your file at the time of the grand jury investigation?

A That is correct.

Q Did you ever notice that before?

A I had not.

Q Mr. Sheneman, do you recall in 1973, early 1973, being called by Captain Huerta and being told that the Bank of North America had asked whether a particular charter on the Aquario was genuine or not?

A Yes, sir.

Q Did he make that call, to your best recollection, in or about the early part of 1973?

A I can't tell you, Mr. Fleming. I just don't remember.

Q All right.

Do you recall being interviewed back in September 13, 1973, by Assistant United States Attorney John Gordan?

MR. GLEKEL: Objection, your Honor, just on the

grounds of relevancy.

THE COURT: I don't know. Ask the question.

MR. FLEMING: Thank you, your Honor.

Q Do you recall being interviewed in the offices of Asisstant United States Attorney John Gordan back in September of 1973 with an FBI agent present? Do you recall that interview back at that time?

A I was interviewed.

Q All right.

Do you recall stating during the course of that interview --

THE COURT: Just a minute, please.

Don't read from anything that is not in evidence.

MR. FLEMING: May I have this marked, please.

xx (Defendants' Exhibit J marked for identification.)

Q Let me direct your attention, Mr. Sheneman, to defense J for identification, and I am specifically interest in the last paragraph on the third page. If you could read it, I just want to ask if it refreshes your recollection.

THE COURT: Do you need your recollection refreshed as to that interview, Mr. Sheneman?

THE WITNESS: No, I have said I had it, your Honor.

THE COURT: Do you need your recollection refreshed as to anything that occurred at that time?

THE WITNESS: I might.

THE COURT: Then I think we will have the question first and see if you need it.

MR. FLEMING: I thought I asked them, your Honor.

Q Do you recall when Captain Huerta called you, when he called you to tell you that the Bank of North America had sent down a charter which was not a genuine charter?

A I do not.

Q All right.

For that purpose I would like you to read that paragraph of the September, 1973, statement and see if it refreshes your recollection.

A Not as to time.

Q All right.

When you were interviewed at that time, did you give your best recollection?

A I did.

Q All right.

MR. FLEMING: Your Honor, may I offer this portion of it as past recollecrion recollection recorded.

MR. GLEKEL: Objection, your Honor.

THE COURT: Show it to your adversary.

MR. FLEMING: Yes, sir, just to fix a date.

MR. GLEKEL: Your Honor, I would like--

THE COURT: You object to it?

MR. GLEKEL: Yes, the government objects.

THE COURT: It can't be conceivably be past recollection recorded. It wasn't his record. Sustained.

MR. FLEMING: May I write a note, your Honor?

THE COURT: Sure. You can pass that up in the meantime.

MR. GLEKEL: May I pass a portion of the document that the defense wishes to introduce as past recollection recorded?

THE COURT: I see nothing in this paper that you are attempting to offer that has anything to do with the date. The witness has said that there is nothing in here that refreshes his recollection as to a date.

MR. FLEMING: May I point out the portion that is relevant to me, your Honor?

THE COURT: Yes.

(Pause)

THE COURT: Nothing fixes time in there.

MR. FLEMING: The first sentence, your Honor.

THE COURT: Look at the first sentence of this last paragraph. Does that refresh your recollection as to a date?

THE WITNESS: I read that twice. It does not.

THE COURT: It does not refresh your recollection?

THE WITNESS: It does not.

THE COURT: Do you recall making any such statement?

THE WITNESS: No, I do not. I was interviewed.

THE COURT: I don't see how that first sentence of the last paragraph, which is the only conceivable part of the paragraph that is relevant to the question, can conceivably be relevant to any issue in this case.

The reporter may incorporate into his minutes that sentence that counsel is offering, which I am excluding.

MR. FLEMING: I am merely offering the paragraph.

THE COURT: The rest of the paragraph has nothing to do with the date. The rest of the paragraph goes off on something else.

MR. FLEMING: May I ask that the entire paragraph be recorded?

THE COURT: You want the entire paragraph?

MR. FLEMING: Yes.

THE COURT: The balance of the paragraph is plainly irrelevant for all purposes and not proper cross examination, in any event.

The reporter will at his leisure copy the entire paragraph into the record.

("Sheneman stated that in early 1973, Huerta called and advised that the Aquario had been remortgaged at the National Bank of North America, NBNA. Huerta advised that Shell received an inqury from the NBNA as to the charter on the Aquario. Shell advised that the charter has to be a forgery and they did not want to give the NBNA a copy of the charter. Sheneman stated that Huerta advised that there must have been a difference between the information furnished by the NBNA regarding the charter and the charter in possession of Shell International. Sheneman stated that Huerta advised that there must have been a difference in the charter rate, time and maybe the option.")

THE COURT: I might call to your attention that a small matter of a foundation which has not been laid for any part of that which makes it even more remote from admissibility.

MR. FLEMING: May I write a note, your Honor?

THE COURT: You can write a note. I think you better ask your next question. Have Mr. Sprizzo write the note. You ask the next question.

Q Mr. Sheneman, did you, on at least one occasion, act in connection with a Tidal Marine financing as "attorney in fact"?

A I did.

Q What was the meaning of "attorney in fact" to you when you executed papers as attorney in fact?

MR. GLEKEL: Objection, your Honor.

THE COURT: In that circumstance or generally?

MR. FLEMING: In that circumstance.

THE COURT: In that circumstance. In connection with that paper that is being referred to on that one occasion, what was the scope of your attorneyship?

MR. GLEKEL: Objection, your Honor.

THE COURT: You listen to it.

THE WITNESS: I was simply signing on behalf of the company.

Q Could you explain that?

A Yes.

I didn't do anything about what the documents were. I was not interested in their contents. I was simply given a signature to a document prepared by two attorneys.

Q You were acting as a signatory?

A That's it.

Q Is that a distinction between attorney in fact and attorney?

A I would think so.

THE COURT: In that circumstance.

THE WITNESS: Yes.

Q In that circumstance.

THE COURT: In other circumstances it is full counterplay of responsibility, isn't that so?

THE WITNESS: I think so, sir.

Q Mr. Sheneman, one other question:

Did you on occasion, on at least one occasion, have to transfer some cash down to Venezuela to meet the operating needs of the Aquario?

A No.

Q Never?

A No.

MR. FLEMING: I think I have no further questions, your Honor. Mr. Sprizzo is still writing his note.

THE COURT: All right. We will mark it Court's Exhibit 5.

Any questions?

MR. GLEKEL: Just a few, your Honor.

(Court's Exhibit 5 was marked.)

REDIRECT EXAMINATION

BY MR. GLEKEL:

Q Mr. Sheneman, do you recall the transaction, the Tidal Marine loan in connection with which you acted as attorney in fact?

A I remember the transaction involved I believe four ships. I believe it was at the office of Cole & Dietz. Apart from that, I do not recall it.

Q Were the ships the Ilion, Kyrilion and Marilion?

A I think so.

Q Who was the actual attorney in that transaction as distinguished from the attorney in fact?

A Mr. Hanlon.

Q Who prepared the documents for the borrower?

A I'm not sure whether it was done by Cole & Dietz, Mr. Hanlon or together.

Q Who handled the negotiations concerning the loan for borrowers?

A Which attorneys?

Q Yes.

A Mr. Hanlon.

Q I believe you stated that based on your knowledge Mr. Naslas was a man of good character?

A That was my testimony.

Q Did Mr. Naslas ever tell you that on two separat occasions he gave two envelopes containing $10,000 in cash to two bank officers in the National Bank of North America?

A He did not.

Q Did Mr. Naslas ever tell you anything about the work he performed for Tidal Marine?

A He did not.

MR. GLEKEL: Nothing further, your Honor.

MR. SPRIZZO: May I have a minute, your Honor?

(Pause.)

MR. FLEMING: Mr. Sprizzo's note, your Honor.

THE COURT: The explanation of my ruling appears on the record. You may proceed.

There is nothing further to be done about the subject. There is no foundation laid for that document, that report or anything of the kind.

MR. FLEMING: I have no further questions.

THE COURT: Thank you very much.

THE WITNESS: Thank you very much, your Honor.

(Witness excused.)

MR. GLEKEL: Your Honor, I would just like to read from one additional document included in the file which

Mr. Sheneman identified. It is Exhibit 405D.

(Mr. Glekel read to the jury from Government's Exhibit 405D in evidence.)

MR. GLEKEL: Your Honor, shall I call our next witness?

The government calls Theodore M. Sysol.

T H E O D O R E M. S Y S O L, called as a witness on behalf of the government, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. GLEKEL:

MR. GLEKEL: Your Honor, shall I proceed or wait?

THE COURT: Please go ahead. This has something to do with something after we quit tonight.

Q Sir, how are you employed?

A I am a lawyer.

Q With what firm?

A The firm of Haight, Gardner, Poor & Havens.

Q For how long have you been with that firm?

A Twenty years as an attorney.

Q Directing your attention to December of 1970, did a time come when you were retained on account by Bank of America at the New York closing of a loan on a vessel by the name of the Trechon for $4,000,000?

A Yes.

Q And who retained you?

A The call originally came from Sherman & Sterling, who asked me to get in contact with the Bank of America.

Q Were you present at the closing of this loan?

A Yes, I was.

Q Where did that occur?

A At the Greek Harbor Master's office here in New York.

Q Who was present at the closing?

A I was there with an associate of mine who was acting more in the nature of a -- he was of Greek descent, having some knowledge of the workings of maritime financing. Let's see, two representatives of the Bank of America New York office, a Mr. James Hanlon; there were three individuals with Mr. Hanlon. I can't recall their names.

Q In what capacity was Mr. Hanlon acting?

A He was acting on behalf of the borrowers.

Q As an attorney?

A Yes.

Q Were documents executed at this closing?

A Yes. There was a ship mortgage executed, and other documents relating to the recording of the ship mortgage here in New York.

Q By ship mortgage, is that the first preferred

hplt 2 Sysol direct

mortgage?

A Yes.

Q Does the first preferred mortgage indicate the amount of the loan?

A Yes, it does.

MR. GLEKE: Your Honor, I have no further questions.

THE COURT: Any cross?

MR. FLEMING: No, your Honor.

THE COURT: Thank you very much. You may step down. Next witness.

(Witness excused.)

MR. GLEKEL: The government calls Charles Aitcheson.

C H A R L E S A I T C H E S O N, called as a witness on behalf of the government, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. GLEKEL:

Q Mr. Aitcheson, how are you employed?

A I am a steamship agent.

Q How long have you been in this business?

A I have been in the marine business about almost twenty years.

Q What company are you associated with?

A ASCA Marine, Inc.

Q What is the nature of the work ASCA Marine does?

A We act as agents for vessels, chartering brokers, management.

Q Do you know two individuals by the names of Costas Naslas and Harry Amanatides?

A Yes, I do.

Q When did you first meet them?

A Mr. Naslas I met probably about 1963 and Mr. Amanatides, I don't know what date, but it was probably somewhere around 1965.

Q Did you ever have any discussions with either of them concerning the starting up of the Tidal Marine?

A No.

Q Did a time come, do you recall, to your knowledge, when Tidal Marine was begun, when the company was created?

A It would be in the late '60s, but I don't recall what year.

Q Do you know who started the company?

A At the time the only ones I knew were Mr. Amanatides and Mr. Naslas.

Q Did a time come when ASCA Marine was retained to manage a ship by the name of the Aquario?

A Yes.

Q When was this?

A This would be, I believe, about December, 1971.

Q Who retained you?

A Mr. Naslas.

Q Do you recall the circumstances of your retention?

A Yes. They were having some problems with the vessel as to maintenance and crew and we were asked to take over partial management of the vessel.

Q What do you mean by partial management?

A Basically to inspect maintenance and crew in this area.

Q Who was in charge of the actual vessel operations?

A The actual what?

Q The operations of the Aquario?

A Tidal Marine.

Q Who at Tidal Marine?

A My contact was Mr. Naslas.

Q What did your management work consist of?

A Basically coordinating the position of the vessel and eventually to do rearranging for maintenance and again leading into crew, arranging for crew of the vessel.

Q Did you forward correspondence on behalf of the

operators of the vessel?

A Yes, we did.

Q Would you draft the correspondence?

A Not in the beginning, no, we didn't.

Q Who drafted it?

A It came from Tidal Marine. It was usually sent over by Mr. Naslas.

Q What would you then do with it?

A We would have it retyped and send it out under our name.

Q What about correspondence received, related to the Aquario?

A We would pass this on to Tidal Marine.

Q Who at Tidal Marine?

A Usually Mr. Naslas or his assistant.

Q Did there come a time when Asca Marine was terminated?

A As the agent, yes.

Q When was this, approximately?

A I believe about May of 1972.

Q Who informed you of the termination?

A Mr. Naslas.

Q During January and February, 1972,where was the Aquario Trader?

A In the Caribbean area, from Maricaibo, Dominican Republic, Curacao.

Q Was there any procedure under which the position of the ship was regularly communicated?

A Yes, there were cables radios from the master to us whenever we arrived, and I believe sailed from a port.

Q Was the ship ever in New York during this period of time, to your knowledge?

A Not to my knowledge.

MR. GLEKEL: I have no further questions, your Honor.

CROSS EXAMINATION

BY MR. SPRIZZO:

Q I think you testified in response to a question from Mr. Glekel about the starting up of Tidal Marine. Do

you remember that?

A Yes.

Q You said the only two people you were familiar with in Tidal Marine were Mr. Naslas and Mr. Amanatides.

A At the beginning, yes.

Q Do you have any personal knowledge of who actually started Tidal Marine?

A Other than those two, no.

Q Do you have any personal knowledge that either one of those started it?

A I knew they were involved in the company when they started. It was represented to me as such, yes.

Q Your testimony is you knew they were both connected with the company?

A Yes, that's right.

Q You don't have any knowledge that Mr. Naslas started Tidal Marine?

A He was involved in the starting. As far as I know, he was involved in the starting of Tidal Marine.

Q What personal knowledge do you have of that?

A As was told to me by Mr. Naslas and Mr. Amanatides.

Q Mr. Naslas told you he was a principal starter of Tidal Marine?

A He told me he was involved with the starting of

Tidal Marine, yes.

Q He told you that?

A Yes.

Q Do you know what his job was at Tidal Marine?

A No, I don't. At this point I don't recall.

Q Do you know what Mr. Amanatides' job was at Tidal Marine?

A Yes, I believe he was the president. As I recall, president.

Q In your deals with Mr. Naslas, did he frequently indicate to you that he had to check with Mr. Amanatides?

A Yes, at times he did say things are supposed to be referred to Mr. Amanatides.

Q So you knew Mr. Naslas was not running Tidal Marine, is that correct?

MR. GLEKEL: Objection.

THE COURT: Sustained.

MR. SPRIZZO: I have no further questions.

THE COURT: Is that all?

MR. GLEKEL: That's all your Honor.

THE COURT: Thank you very much. You may be excused.

(Witness excused)

THE COURT: Does that complete the witnesses?

MR. GLEKEL: There is another witness available, your Honor, but this witness will be lengthy.

THE COURT: We will take that witness tomorrow morning at 10 o'clock.

(Jury left)

THE COURT: I can't make out from this note that you sent me, Mr. Fleming, whether you want to speak to me or whether you want to declaim on the record.

MR. FLEMING: Either way, sir.

THE COURT: If you want to speak to me --

MR. FLEMING: I just wanted to make the point on what I was trying to do with Mr. Sheneman. As I recall, Mr. Huerta's testimony, I may be in error, but I believe he testified he thought he had called Mr. Sheneman and told Mr. Sheneman there was a bad charter on the Aquario in January of 1972. That's really a factual possibility to begin with. I think the fact is that Bank of America began investigation in the fall of 1972 and the inquiry to Shell Venezuela with regard to the charter that was submitted on the Aquario refinancing got down there some time in December or so of 1972. It's an important distinction in one respect because here if Huerta is actually telling Sheneman in January of '72 that there is a bad charter on the Aquario, it's entirely different inference than Huerto

telling Sheneman in 1973.

THE COURT: I think the proffered evidence was correct as made for the reasons already stated on the record.

MR. FLEMING: I don't want to deal with a false issue which it really is.

THE COURT: We are in recess.

(Adjourned to June 8, 1976, at 10 A.M.)

WITNESS INDEX

Name	Direct	Cross	Redirect	Recross
Takayuki Hazumi	509			
Katsumi Akiba	515			
Melvin J. Tublin	518	531	554	556
Anna Diaz	557			
Salvador Juan Huerta	564	582	593 595	594
Gerard Nout	596	604		
John Sheneman	610	634	656	
Theodore M. Sysol	658			
Charles Aitcheson	660			

EXHIBIT INDEX

Court	Identification	In Evidence
4,4A	529	
Defendants		
I	538	
J	649	

Pollack

UNITED STATES OF AMERICA

v. 75 Cr. 515

JAMES D. HANLON, COSTAS NASLAS
and PAUL KATRITSIS

New York, New York
June 8, 1976 - 10:05 a.m.

- - -

(In open court - jury not present.)

THE COURT: Good morning. There is some kind of delay with the jurors.

(Pause.)

THE COURT: Who is your first witness?

MR. GLEKEL: Gerald Greenwald.

(Jury present.)

G E R A L D B. G R E E N W A L D, called as a witness on behalf of the government, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. GLEKEL:

Q Sir, how are you employed?

A I am an attorney engaged in the private practice of law.

Q Were you practicing as an attorney during 1971?

A I was.

Q In 1970?

A I was.

Q Directing your attention to 1970, did a time come when you were retained in connection with the sale of a ship then known by the name of the Petrolasa?

A Yes, I was retained as counsel to the sellers.

Q Do you recall who the sellers were?

A A Venezuelan corporation that was known as Co. Petrolasa.

Q What were you retained to do?

A I was retained to represent them in the legal work in connection with the sale of the tanker, Petrolasa.

Q Who was the tanker sold to?

A Well, a contract of same was entered into with a so-called West Shore Tanker Corporation.

Q Do you recall the amount of the purchase price?

A At the time the contract was entered into, the purchase price was $3,500,000.

Q Was there thereafter a change in the purchase price?

A Subsequently there was a reduction in the purchase price to take into consideration certain repairs that were required on the tanker and the price was reduced to

$3,385,000.

Q Was any agreement ever entered into with the sellers for a purchase price of $5,500,000?

A No.

Q Who actually took title to the vessel?

A Title was taken in the name of a corporation called Deneb Navigation Corporation.

Q Were you ever informed as to who the principals were who were purchasing the ship?

A The sellers, before they entered into a contract of sale, wished to have assurances that the sale was being made to a substantial party and made inquiries as to the identity of the seller and it was represented to the sellers that the purchaser would be an affiliate or subsidiary of Tidal Marine International, a public company.

Q Now, were you present at the closing of the purchase?

A I was present at the closing of the purchase, yes.

Q Where did that occur?

A In Curacao, Venezuela.

Q Did transactions related to the closing occur in New York?

A The closing itself was consummated in Caracas.

However, the purchasers required certain notifications to take place in New York, and so there was a telephone call placed from the office of the Greek Consul in Caracas to the Greek Mercantil Marine Department in New York, to confirm certain transactions.

Q Do you recall who participated in the New York aspect of the closing?

A My recollection is that Mr. Amenatides, who was the president of the purchasing corporation, Deneb Navigation, was present in the office of the Greek Mercantil Marine Department in New York at that time, at the time of the telephone call.

Q In connection with the closing of the purchase, did any transactions occur at the Bank of New York?

A While I was in Caracas, I was advised that there would be a transaction in New York at First National City Bank, but that transaction was, as I understood it, a transaction by which the purchaser arranged somehow to obtain the purchase price and did not correctly affect the closing I was involved in.

Q Who represented the purchaser in connection with that aspect of the transaction?

A According to my recollection, I was told that Mr. Hanlon --

MR. FLEMING: Objection, your Honor.

THE COURT: Yes, this is hearsay.

Strike out the answer.

(Continued on the next page.)

hph 1 Greenwald-direct
cross

T1B

Q Did you exchange any correspondence with Mr. Hanlon in relation to the purchase of the Petrolasa?

A I did not exchange correspondence with Mr. Hanlon, but I did receive correspondence from Mr. Hanlon.

Q What was the nature of this correspondence?

A One communication outlined the documentation which the purchaser expected to receive at closing from the seller and one communication transmitted to me a photocopy of a bank deposit escrow agreement and a bank deposit ticket in connection with the transaction.

MR. GLEKEL: No further questions, your Honor.

CROSS EXAMINATION

BY MR. FLEMING:

Q Mr. Greenwald, let me show you Defendants' Exhibit B. Would you look at it and tell me if you recognize it.

A Yes, I do.

Q And that is a letter to you?

A Well, it was a letter to the sellers of the tanker in care of my office.

Q Also to your attention?

A And to my attention.

Q So it is a letter to you?

A No, I think it's a letter to the sellers and

b2 I received it on their behalf.

Q That is not signed by Mr. Hanlon, is it?

A No., it is no.

Q It is signed by John Sheneman?

A That's correct.

Q And he was a partner of Mr. Hanlon's?

A To the best of my recollection, he was.

Q And that document there has specific reference to the transaction about which you have been testifying?

A That's right.

Q In fact, that document advises, am I correct, that West Shore Tankers' right to purchase the vessel from your client was assigned to Deneb Navigation?

A That's correct.

Q And that came from Mr. Sheneman?

A That's correct.

MR. FLEMING: I have no further questions.

MR. GLEKEL: Nothing further, your Honor.

THE COURT: Thank you very much, you are excused.

(Witness excused)

MR. MARMARO: With the Court's permission, the government would like to read to the jury Government's Exhibit 900-F in evidence, which is a chart on the Trechon transaction.

THE COURT: Just bare in mind, Mr. Marmaro, that this is not summation, but the use of documentary evidence to call to the jury's attention and the contents thereof.

MR. MARMARO: That's correct, your Honor.

THE COURT: What are the exhibit numbers of those charts, for record purposes?

MR. MARMARO: For the record, this chart is Government Exhibit 900-F in evidence, your Honor, and the exhibit numbers which serve as the basis for the statement follow each statement.

This is on the Trechon transaction and the first series of entries deals with the purchase and financing at Bank of America, abbreviated as BOA on the chart.

The first entry is September 8, 1970, and the entry is the Hanlon bills for formation of Victory Development Corporation which is abbreviated hereinafter as Victory.

The next entry is October 7, 1970, and the entry here is Hanlon caused the formation of Deneb Navigation Corporation which is abbreviated as Deneb.

The next entry is November 3, 1970, and it says: Hanlon caused the formation of Kowloon Tankship Company.

This is abbreviated as Kowloon.

The next entry, October 21, 1970, and it states West Shore Tankers Limited, abbreviated as West Shore, contracts to purchase the Petrolasa, renamed the Trechon for $3,500,000.

The fifth entry is December 2, 1970, and that states that Sheneman writes seliers stating that Deneb would take title to vessel.

The next entry is December 7, 1970, and that states that purchase price is reduced to $3,385,000.

gwh

T2A

The next entry is October 22, 1970. It states that the Bank of America approves a $12,400,000 line of credit for Tidal Marine International Corporation to finance the purchase of the Tichi, the Tranos, the Triton and Tama subject to the condition that financing be at the lower of 75 percent of the contracted purchase price or 60 percent of the market value.

The next entry bears the date November 20, 1970. It states that permission is sought by the Bank of American in London to substitute Trechon for Tranos. It says that Tidal Marine International requested a $4,000,000 loan on the Trechon, the purchase price of which was said to be $5,500,000.

MR. FLEMING: May I write a note, your Honor?

THE COURT: Yes. Hold it just a minute.

Do you want this to be suspended in the meantime?

MR. FLEMING: Yes, please.

(Pause)

THE COURT: The objection is made that it has not yet been proved tht the purchase price was $5,500,000 and regardless of the state of the record, which I don't recall at the moment, the proof now being offered is taken subject to connection.

MR. GLEKEL: Your Honor, what the chart reads--

shall I write a note?

THE COURT: The chart what?

MR. GLEKEL: The chart reads that the purchase price was said to be five and a half million dollars, not that it was.

THE COURT: Where does it say?

MR. MARMARO: It says the purchase price which was said to be $5,500,000.

THE COURT: Said to be by whom?

MR. GLEKEL: That reflects the exhibit which says that the purchase price was represented to be and does not state by whom it was represented to be from the bank exhibit.

THE COURT: What exhibit is that you are referring to, 280 and 281?

MR. GLEKEL: Yes, your Honor.

MR. MARMARO: That is correct. These are the bank files on this loan.

THE COURT: What page of 280 and 281? How is it marked?

Let the clerk mark the page with an exhibit number. What exhibit is the book?

MR. MARMARO: The book is Exhibit 280 in evidence.

THE COURT: Mark the particular page to which

attention is now being called 280-A.

MR. MARMARO: 280-X.

THE COURT: All right.

(Government's Exhibit 280-X marked for identification.)

THE COURT: Read the portion that has that figure in it, that you say has the figure in it, and what it says about it.

MR. MARMARO: It is a telex to the Bank of America, London, from the Bank of America, San Francisco. It says, "You are authorized to disburse $4,000,000 representing 72.7 percent of purchase price $5,500,000."

THE COURT: All right.

The second note that you handed up, Mr. Fleming, has some handwriting that I can't make out.

MR. FLEMING: I should blame Mr. Sprizzo, but I wrote it, your Honor.

THE COURT: It says: My objection is the something of an exhibit.

MR. FLEMING: Absence of an exhibit.

THE COURT: That word is not absence no matter how you read it.

MR. FLEMING: The citation.

THE COURT: Oh, the citation.

The objection that an exhibit is cited for the statement is overruled because what the attorney for the government is doing now is calling attention to the exhibits in evidence and their content.

All right, go ahead.

MR. MARMARO: There is another exhibit in here which I would like to mark as reflecting the $5,500,000 purchase price. We will mark this as 280-Y.

(Government's Exhibit 280-Y marked for identification.)

xx

THE COURT: Read into the record the reference to the $5,500,000.

MR. MARMARO: Let the record reflect that I am reading from Government's Exhibit 280-Y in evidence, which is a memorandum to the general loan committee, and the subject of the memorandum is Deneb Navigation Corporation Liberia borrower, Tidal Marine International Corp., New York guarantor, and there is an entry that describes the vessel. It says, "Vessel, Trechon. Contracted price, $5,500,000."

THE COURT: All right, proceed.

As you come to each one, give us an opportunity to let your pearly words of wisdom sink in so we know you are moving on to another exhibit.

MR. MARMARO: Yes, sir.

The next entry is December 1, 1970. The reference here is that Bank of America approves a $4,000,000 loan on the Trechon as representing 72.7 percent of the purchase price.

The final entry under this heading of purchase and financing at the Bank of America is December 9, 1970, and it states that the loan of $4,000,000 to Deneb Navigation Corporation closed in New York. Deneb was represented by Hanlon, Harry Amanatides was also present, and Hanlon took closing documents with him.

At this point, your Honor, I would like to read two other exhibits that are Government's Exhibits 283-A and 283-B in evidence.

(Mr. Marmaro read from Government's Exhibits 283-A and 233-B in evidence to the jury.)

2B a.m. gwlt 1

MR. MARMARO: Returning to Government's Exhibit 900F in evidence, the next section deals with use of proceeds.

The first entry is December 9, 1970. It states that Amanatides orders distribution of proceeds as follows:

3,035,000 to Commercial Petrolara Latin America, S.A., Caracas, the sellers of the vessenl, $750,000 to Kow Loon Tank Ship and $215,000 to Victory Development Corporation.

The next entry is December 16, 1970 and it states that Hanlon receives commission of $16,925 on the Trechon.

The next entry is also dated December 16, 1970, and it states that Hanlon deposits $750,000 check made out to Kowloon Tank Ship in Kowloon account at Irving Trust Compar and directs that $425,000 be placed in a time deposit and $325,000 be held in a demand account.

The signature cards and resolutions for Kowloon Tank Ship account lists Hanlon as president and Alice E. Hanlon as director.

The next entry is March 5, 1971 and it states that Hanlon instructs Irving, that is Irving Trust, to distribute time deposit at maturity as follows:

$325,000 to West Shore Tankers and $100,000 to First National City Bank, Nassau, for the account of Salvador Huerta. It goes on to state that the $325,000 in the demand

gwlt 2

account was made in a time deposit.

On July 13, 1971, Hanlon directs a transfer from the Kowloon time deposit of $35,000 and $75,000 for the accounts of Southeast Tankers Company, Ltd. and Kowloon Tank Ship at First National Bank of Boston.

On July 21, 1971 Hanlon directs that $150,000 be transferred from the Kowloon time deposit to First Nationa Bank of Boston.

On July 30, 1971, $57,500 is transferred from the West Short Tankers account at Irving Trust on the Kowloon account.

The next series of entries concern Hanlon's loan and collateral.

The first entry here is March 4, 1971. It states that Hanlon borrows $20,000 from Irving Trust which is guaranteed by Kowloon Tank Ship. Hanlon deposits $17,980 in a personal checking account on March 10, 1971.

On July 13, 1971 Hanlon borrows $20,000 from Irving Trust Company, disbursed by bank draft of $17,980 and $2,000 in Travelers Checks.

The bank draft is deposited in Hanlon's personal savings account.

On October 28, 1971, Hanlon borrows $10,000 from Irving Trust and authorized the Kowloon Tank Ship account to serve as security for all personal loans.

MARKELLA DELFOS, called as a witness on behalf of the government, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MARMARO:

Q Miss Delfos, what country are you a citizen of?

A Athens, Greece.

Q Where were you born?

A Egypt.

Q How are you presently employed?

A I work for Union Commercial Steamship Company as a secretary.

Q Directing your attention to 1970, how were you employed at that time?

A I was working for Union Commercial Steamship Company as a secretary.

Q As a secretary to whom?

A To Mr. Scufalos.

Q Did there come a time when you left the employ of Union Commercial Steamship Company?

A Yes.

Q When was that?

A In April 1971.

Q How did that come about?

A I was asked by Mr. Amanatides and Mr. Livas if I wanted to join one of Tidal Marine's companies in London.

Q When did you go to work for them?

A In April 1971.

Q Where did you work in London?

A At 2 Chesterfield Hill, in London.

Q What was the physical layout at 2 Chesterfield Hill?

A On the ground floor there was another secretary and myself working with Mr. Blonsky.

On the first floor, it was Mr. Amanatides and Mr. Livas' offices. And on the top two floors were their bedrooms, each one.

Q Was there a company that had its offices at 2 Chesterfield Hill?

A Yes, it was Interocean Brokerage, Ltd.

Q What was Interocean Brokerage?

A It was a chartering office, but also dealt with Mr. Amanatides' and Mr. Livas' personal matters.

Q What type of business was conducted at 2 Chesterfield Hill?

A Mostly personal, apart from typing letters, sending telexes out, but mostly personal in the affairs of Mr. Livas and Mr. Amanatides.

Q Are you familiar with a company called Derwent Shipping Company, Ltd.?

THE COURT: How do you spell that?

MR. MARMARO: D-e-r-w-e-n-t.

Q Directing your attention to April 1971, were you involved in a transaction which concerned Derwent Shipping Company?

A Yes, I was.

Q What if anything did you do in this connection?

A I was asked by Mr. Livas to go up in his bedroom, and get a corporate receipt book from one of his closets among the various companies that were there, and to bring it down, and further, too, that I was asked to type some minutes which he had given me to type, and if I wanted to become the president of the company. Also, that I were to change my name to Marcelle Delfou to pass as a Swiss National.

Q What if anything did you do after you became Marcelle Delfou?

A I typed the minutes, I signed the minutes and went to Geneva, Switzerland, after signing the minutes of course, I went over to Geneva to have the rest of the officers sign the minutes, at Mr. Bernard's office, and then returned to England that same day.

Q What was the business of Derwent Shipping?

A It was a company that purchased the vessel Ninive, the one day and sold it the next day to one of Tidal Marine's subsidiaries.

Q Did it have any other business?

A Not that I know of.

THE COURT: How do you spell the name that you were asked to assume?

THE WITNESS: M-a-r-c-e-l-l-e D-e-l-f-o-u.

THE COURT: And your true name is Markella Delfos?

THE WITNESS: Yes.

Q I want to direct your attention to Government's Exhibit 264A for identification, which is part of Government's Exhibit 264, in evidence, which is a file on the Tama transaction from the National Bank of North America, and ask you if you recognize 264A.

A Yes, it is the bill of sale of the vessel Ninive.

Q Does your signature appear on the bill of sale?

A Yes.

Q How did you sign your name?

A Delfou.

Q Is that the bill of sale you executed in connection with the sale of the vessel Tama?

A Yes, it was.

MR. MARMARO: With the Court's permission, I would like to read this bill of sale to the jury.

(Government's Exhibit 264B was read to the jury by Mr. Marmaro.)

(Government's Exhibit 264A was read to the jury by Mr. Marmaro.)

THE COURT: Are there any dates on there?

MR. MARMARO: Yes, sir.

THE COURT: This testimony is being taken over the objection of the defendants but subject to connection.

MR. MARMARO: The date on the bill of sale, Exhibit 264B, is 19th of April, 1971. That is the bill of sale.

THE COURT: Give me that date again, please.

MR. MARMARO: 19th of April, 1971.

The bill of sale which is 264A, from Derwent Shipping, is the 21st of April, 1971.

Q Miss Delfos, are you familiar with a vessel named the Aquario?

A Yes, I am.

T3B

Q Did that vessel have a previous name?

A Yes, it was called the Thorhild.

Q Directing your attention to July of 1971, did you have anything to do in connection with the Aquario?

A Yes.

Q What if anything did you have to do with it?

A I had to type some minutes out regarding the purchase of that vessel. Mr. Hanlon came to London over a weekend and was preparing some minutes regarding this vessel which I had to type. He was sitting on the top floor, preparing the minutes in draft, and giving them to me as they were going on, to type and return them to him.

Q I direct your attention to what have been marked as Government Exhibits 317-A in evidence and 317-B in evidence.

Directing your attention first to 317-B in evidence, do you recognize this document?

A Yes, I do.

Q How do you recognize it?

A I typed them. I typed it.

Q At whose direction did you type it?

A They were given to me from Mr. Hanlon to type.

Q Directing your attention to Government Exhibit 317-B in evidence, do you recognize that?

A Yes, I do.

Q How do you recognize that exhibit?

A I typed that too.

Q At whose direction did you type it?

A Mr. Hanlon's.

Q Where were these documents, 317-A and 317-B typed?

A At 2 Chesterfield Hill.

MR. MARMARO: With the Court's permission I would like to read portions of these documents.

THE COURT: Go ahead.

(Portions of Government's Exhibit 317-B and portions of Government's Exhibit 317-A were read to the jury.)

Q Ms. Delfos, do you know who was acquiring the Aquario?

A Yes. I was told by Mr. Amanatides that Mr. Hanlon and Mr. Sheneman were the owners of the Aquario.

Q Did you have occasion to contact either Mr. Hanlon or Mr. Sheneman?

A I did, only once, Mr. Hanlon. I called him to advise him something on the vessel.

Q As a result of that conversation, did you have a conversation with Mr. Naslas?

A Yes, I did.

hph 3 Delfos-direct

Q What, if anything, did he say to you?

A He asked me not to call Mr. Hanlon or Mr. Sheneman if I had information on the Aquario, that I was to call him and he would advise them in turn.

Q I show you what has been marked as Government's Exhibit 318 in evidence, and also what has been marked as Government's Exhibit 301 in evidence.

Directing your attention first to 318 in evidence, do you recognize this document?

A Yes, I do.

Q What is it?

A It's a charter party on the vessel Aquario.

Q How do you recognize it?

A I typed this charter party. I was given the charter party as a draft on a vessel called the Dedone by Mr. Livas, with various alterations made on the charter party and I was asked to type on exactly the same on the vessel Aquario.

Q What were the changes of the charter furnished to you?

A Well, the name of the vessel, first of all. The previous vessel was the Dedone and this one was the Aquario, and the period of time that the vessel was goin to be employed. That's it, apart from the details of the

ships that varied.

Q I direct your attention to Government's Exhibit 301 in evidence and will you see if you recognize that.

A Yes, I do.

Q What is that?

A This is a charter party on the Dedone, and it was this charter party that Mr. Livas had given me with his own corrections on the charter party to type the Aquario charter on.

Q In whose handwriting were the corrections?

A In Mr. Livas'.

Q I want to direct your attention for one moment to this charter that we see here. Perhaps you can come from the witness stand with the Court's permission, if you can't see it.

A I can see it.

Q Government's Exhibit 318, is that the charter that is shown --

THE COURT: Why don't you sit on that chair so the jury can see over your head. Pull the chair over.

Q Is that the charter shown on this chart as to Shell Venezuela for 33 months?

A Yes.

Q Directing your attention to --

A Yes, it is.

Q Directing your attention to 301 in evidence, is that the charter which is shown in this chart as being Shell Venezuela, 42 months, or three years, six months?

A Yes, it is.

T4A

Q I want to direct your attention next to Government Exhibit 26 in evidence, which is the National Bank of North America loan file for Canopus Navigation Corporation to a portion of that exhibit which has been marked as Exhibit 26-A for identification.

Do you recognize 26-A?

A Yes, I do.

Q What is that?

A It's a charter party on the Marina.

Q How do you recognize it?

A I typed it.

Q At whose instructions did you type it?

A Mr. Blonsky's.

Q How did that come about?

A He gave me a charter party on either the May or the June with various corrections on it, like changing the name of the vessel, the period of time, the daily rate, the charterers, and asked me to base it as an example and type this charter party and others, too.

Q Who was the charterer to be?

A Transoceanic Shipping Company, Piraeus.

Q Do you recall about when this document was prepared?

A Some time the latter part of October or November,

'71.

Q Did Mr. Blonsky ask you to prepare any other charter parties at that time?

A Yes, there were another series of charter parties.

Q I am going to show you a series of documents and ask if you can identify them. The next document comes from Government's Exhibit 27 in evidence and it has been marked as 27-A for identification. The next document is part of Government's Exhibit 28 in evidence and it has been marked as 28-A for identification.

Do you recognize these documents?

A Yes, I do.

Q What are they?

A Charter parties on the Despina N and the Angelica.

Q Which number does Despina N refer to?

A Despina N refers to 28-A.

Q And the Angelica?

A 27, 27-A.

Q Who are the charterers for these vessels?

A Transoceanic Shipping Company of Piraeus.

Q Were these part of the same group of charters that Mr. Blonsky gave you?

A Yes.

THE COURT: What was the name of the vessel on 28-A? Spell it, please.

THE WITNESS: D-e-s-p-i-n-a N.

THE COURT: Thank you.

Q I next call your attention to Government's Exhibit 29 in evidence and a portion of that exhibit, which has been marked as 29-A for identification, which is a charter party on the vessel Mersinida, and also to a portion of Government's Exhibit 30 in evidence, which has been marked as 30-A for identification, this being a charter party on the vessel Trias.

Do you recognize these documents, taking them one at a time, describing the one you are talking about?

A Yes, I do recognize it. That's 29-A, the Mersinida. I typed this charter party together with the rest of it, and Trias, 30-A.

Q I now direct your attention to a portion of Government's Exhibit 31 in evidence. This has been marked as 31-A for identification.

MR. MARMARO: The record should reflect that it's a charter party on the Sandra N.

Q Do you recognize this document?

A Yes, I do.

Q How can you recognize it?

A Well, I typed it.

Q Is this part of the same group of documents you have been describing?

A Yes, it is.

Q I show you two more documents. The first has been marked 34-A for identification. It is part of Government's Exhibit 34 in evidence. It is a charter party on the May.

The next is part of Government's Exhibit 35 in evidence. It has been marked as 35-A for identification. It is a charter party on the vessel June.

I ask you if you recognize these documents, taking them one at a time, 34-A first.

A Yes, I do recognize it.

Q How do you recognize 34-A?

A I typed it.

Q Is this part of the same group?

A Yes, it is part of the same group.

Q What about 35-A?

A Yes, I do.

Q Is this also part of the same group?

A Yes, it's part of the same group.

Q Did you also type this?

A Yes, I did.

MR. MARMARO: With the Court's permission, I would just like to briefly refer to each of these.

(Mr. Marmaro read from Government's Exhibits 29, 31, 28, 27 and 30 in evidence to the jury.)

Q Directing your attention to the charter parties you have just described as being given to you by Mr. Blonsky, are you familiar with the vessels that are the subject of those charter parties?

A Yes, I am.

Q How are you familiar with them?

A They were previously owned by Union Commercial Steamship Company before being sold to Tidal Marine.

Q I want to direct your attention to Government's Exhibit 33-X in evidence.

Directing your attention to this exhibit, I ask you if you can recognize it.

A Yes, I do.

Q Do you recognize the type on this letter?

A Yes, I do.

Q What do you recognize about that type?

A It is the same typewriter we used at 2 Chesterfield Hill.

Q Are you familiar with the type at the Union Commercial office in 1971 and 1970?

A Can you repeat your question?

Q Are you familiar with the kind of typewriters used at the Union Commercial Steamship office during 1971?

A Yes, I am.

Q Is the type used at the Union Commercial Steamship office the same or different from the type used on Government's Exhibit 33X?

A Yes, they are.

Q The same or different?

A Different.

MR. MARMARO: With the Court's permission, I would like to read this exhibit or a portion of it.

(Mr. Marmaro read from Government's Exhibit 33X in evidence to the jury.)

Q Miss Delfos, whose typewriter do you say that was? Is that a Union Commercial typewriter?

A No, Interocean Brokerage type.

gwlt 2 Delfos-direct

THE COURT: Done on an Interocean Brokerage typewriter?

THE WITNESS: Yes.

Q Interocean Brokerage is located where?

A London, 2 Chesterfield Hill.

Q I want to direct your attention back to this letter for one moment and ask you if you were familiar with the directors of Union Commercial Steamship Company during 1971.

A Yes, I was.

Q Is the signature on this letter the signature of any of the directors of the Union Commercial Steamship Company?

A No, it was not.

Q Do you recognize the signature at all?

A No. It is nobody's signature.

THE COURT: Do you recognize the handwriting?

THE WITNESS: No, sir.

THE COURT: What I meant by that last question, do you recognize the handwriting as that of a person of Union Commerical?

THE WITNESS: No, sir.

Q I want to direct your attention next to Government's Exhibit 40D in evidence, which is part of Government's

Exhibit 40 in evidence, a National Bank of North America loan closing file on loans to Aries and Pisces Navigation Corporation.

This is a charter on the vessel Tekton.

Directing your attention to Government's Exhibit 40D, do you recognize that?

A Yes, I do.

Q How can you recognize it?

A I typed the charter party.

Q How did you come to type this?

A I was given a charter party with various corrections done on the previous one, with a few changes. The main changes were on the period of time and the rate, and was asked to type out the charter party identical to it.

THE COURT: Who gave you the form, the specimen?

THE WITNESS: Mr. Blonsky.

THE COURT: Mr. Blonsky?

THE WITNESS: Yes,sir.

Q What is the term on the charter on the Tekton, which is 40D?

A It is five years.

Q Who is the charterer?

A BP Tanker Company, Ltd.

Q I want to direct your attention for a moment to this chart again.

Is that the charter for the vessel Tekton shown here as BP five years?

A Yes, sir.

Q Please direct your attention to the signature page of Government's Exhibit 40D.

Who signed this? What is the name of the signature?

A Ashford and Amanatides.

Q Ashford for whom?

A For BP Tanker Company, Ltd.

Q Did you ever see anybody at Interocean Brokerage 2 Chesterfield Hill, signing the name "Ashford"?

A I saw Mr. Blonsky practicing the name "Ashford." I didn't actua'ly see him put his signature on this charter party.

Q For how long was he practicing the name "Ashford"

A Maybe half a day, maybe a whole day.

Q I want to direct your attention to the printed language above the signature.

Is there language "BP Tankers" there?

A Yes, there is.

Q Do you know how that language came to be placed

on this document?

A Yes, it was cut off from a previous charter party of BP Tankers and just stuck on this charter party and then photostated.

Q By whom?

A By Mr.Blonsky.

Q And anybody else?

A And myself.

Q I want to direct your attention to 40F in evidence. It is in this file. Perhaps I can find it .

(Pause.)

MR. MARMARO: The record should reflect that this is a charter on the vessel Tropis and it has been marked as 40F in evidence, which is also part of the file which has been marked as 40 in evidence.

40F is the individual charter and 40 is the file.

Q Miss Delfos, I ask you if you can recognize 40F in evidence.

A Yes, I can.

Q How can you recognize it?

A I typed the charter party.

Q How did you come to type it?

A It was given to me by Mr. Blonsky with the corrections on a previous charter party and he asked me to type it.

Q What did the corrections relate to?

A Mostly the change of the period of time that the vessel was on time charter, and the rate.

Q Was the period of time increased or decreased?

A Increased.

Q Who is the charterer?

A BP Tanker Company, Ltd.

Q What is the vessel chartered?

A Tropis.

Q Is that the charter party shown here, the Tropis, as being a BP five-year charter?

A Yes, sir.

Q I direct your attention to the signature page of this document. Do you recognize the signature?

A Yes, it is Ashford and Amanatides.

Q Was this signed in the same manner as 40D?

A Yes, it is.

Q Does this bear the printed legend. BP Tanker Company?

A Yes, it does.

MR. MARMARO: With the Court's permission I would like to show these briefly to the jury.

THE COURT: What you're saying is that BP signature was cut off some other place, and put down on this document; the document was then photographed so as to make it look as though from the photographed copy BP Tanker had actually signed the photographed copy or the original of the photographed copy?

THE WITNESS: That is correct.

THE COURT: All right, go ahead.

(Exhibit 40F was shown to the jury.)

THE COURT: That is a photography copy, is that correct?

MR. MARMARO: That is correct, a photocopy.

The signature is "Ashford."

(Government's Exhibit 40B was shown to the jury.)

Q I show you Government's Exhibit 850 in evidence and direct you to a portion of that exhibit, a time charter party on the Aris, and it has been marked for identification as 850A, but it is part of a file which is 850 in evidence.

I ask you if you recognize 850A.

A Yes, sir, I do.

Q How do you recognize it?

A I typed it.

T5B

Q And from what did you type it?

A From a previous charter party on the Aris, with the corrections, with the various corrections done on that.

Q Do you recall any of the corrections?

A The period of time mostly, and the rate.

Q Was the period of time increased or decreased?

A Increased.

Q Who was the charterer on this charter?

A Wintershall.

Q Is this the charter shown here next to Aris as being Wintershall for five years?

A Yes.

MR. MARMARO: With the Court's permission I would like to show this to the jury for one second.

(Government's Exhibit 50-A shown to jury.)

Q I next direct your attention to a charter party contained in Government's Ex bit 43 in evidence. This is a charter party on the vessel Tachys.

THE COURT: How is that marked?

MR. MARMARO: It has not been marked, but it may be marked 43-A for identification.

THE COURT: Deemed marked 43-A.

(Government's Exhibit 43-A deemed marked for

xx

hph 2 Delfos-direct

identification.)

Q Do you recognize this document?

A Yes, I do.

Q How can you recognize it?

A I typed it.

Q And from what did you type it?

A From a corrected charter party on the ship.

Q What did the corrections relate to?

A The change of period of time and the rate.

Q Was the period of time increased or decreased?

A Increased.

Q What is the period of time?

A Five years.

Q And who is the charterer?

A BP Tanker.

Q Directing your attention once again to this charter here, and the entry on the vessel Tachys, is that the charter referred to as BP for five years?

A Yes.

MR. MARMARO: May I read a portion of this to the jury, your Honor.

THE COURT: Yes.

(Portion of Government's Exhibits 43-A read to the jury.)

hph 3 Delfos-direct

MR. MARMARO: This is a five-year charter on the vessel Tachys. The signature bears BP Tanker Company, Ashford, and the Spartan Endeavor Company, the owner Paul Katritsis.

Q Did either you or Mr. Blonsky have a role in placing the BP Tanker Company line on this charter?

A Yes.

Q Was it done in the same manner as you have previously have testified?

A Yes.

Q I want to direct your attention to Government's Exhibit 275 in evidence which is a credit find on Harilion Companie Naviera S.A.

THE COURT: Are you about finished?

MR. MARMARO: Perhaps another ten minutes, your Honor.

THE COURT: We will take a short recess at this time.

(Jury left)

(Recess)

T6A

(In open court; jury present.)

THE COURT: All right, Mr. Marmaro.

BY MR. MARMARO:

Q Ms. Delfos, I would like to show you a charter party on the vessel Harilion, the charterer being Mitsui Line, and this charter is part of Government's Exhibit 275 in evidence. It has been marked as 275-A for identification.

Directing your attention to this charter, that is 275-A, do you recognize it?

A Yes, I do.

Q How do you recognize it?

A I typed it.

Q Where did you type it?

A At 2 Chesterfield Hil.

Q That is a charter on the Harilion?

A Yes, sir.

Q What is the term of the charter?

A 36 months, one month or less charterers absent.

Q Is that the charter referred to on this chart as being on the Harilion and with Mitsui Lines for three years?

A Yes, sir.

Q I next direct your attention to Government's

Exhibit 271 in evidence and to a portion of that exhibit which is marked 271-C for identification. This is a time charter party on the vessel Krilion with the charterer being Port Line/Blue Funnel Line.

Directing your attention to this exhibit, do you recognize it?

A Yes, I do.

Q How can you recognize it?

A I typed it.

Q Where did you type it?

A At 2 Chesterfield Hill.

Q What is the term on this charter?

A 36 months.

Q Directing your attention once again to this chart and to the vessel Krilion, is that the charter that is listed as Port Line/Blue Funnel Line for three years?

A Yes, sir.

Q I want to direct your attention to a charter that is contained in Government's Exhibit 273 in evidence. This is a charter on the vessel Marilion, the charterer being listed as Japan Line. It has been marked for identification as 273-A, but it is part of 273 in evidence.

I ask you if you recognize this document?

A Yes, I do.

Q How can you recognize it?

A Well, I typed it and apart from that I recognize the way I typed the documents, the print of the typewriter and I remember typing it.

Q Where did you type this?

A At 2 Chesterfield Hill.

Q What is the term of this charter?

A Three years.

Q Directing your attention to this charter, is that the charter on the Marilion listed here with Japan Lines for three years?

A That's correct.

Q May I have that file back, please?

Ms. Delfos, are you familiar with a company named P. Wigham Richardson?

A Yes, I am.

Q What is this company?

A It's a sale and purchase company, it's an insurance company, it's a chartering company.

Q When you say, "sale and purchase," sale and purchase of what do you mean?

A Vessels.

Q Where is P. Wigham Richardson located?

A In London.

Q What relationship, if any, did P. Wigham Richardson have with Tidal Marine?

A Good, good relationship.

Q Do they do any business together?

A Oh, yes, a lot.

Q Did Mr. Amanatides have a personal relationship with any of the employees or officers?

A Well --

MR. FLEMING: Excuse me. Objection --

THE COURT: To your knowledge.

MR.FLEMING: I'm sorry, your Honor?

THE COURT: To the witness' knowledge.

MR. FLEMING: I object to the form.

THE COURT:You may answer.

A Can you repeat your question?

THE COURT: Do you know whether or not Mr. Amanatides had any personal relationships with any of the people at the P. Wigham Richardson office?

THE WITNESS: Well, he was very close with two people that I know of, and that was Mr. Perring and Mr. Lucraft.

THE COURT: How do you spell those names?

THE WITNESS: P-e-r-r-i-n-g and L-u-c-r-a-f-t, I think.

MR. MARMARO: With the Court's permission, I would like to just read a portion of Government's Exhibit 271 in evidence. This document is part of Government's Exhibit 271 in evidence, your Honor. It has been marked as 271-B for identification.

(Mr. Marmaro read from Government's Exhibit 271 in evidence to the jury.)

Q Miss Delfos, Interocean Brokerage is located where?

A At 2 Chesterfield Hill.

Q Is that the company you testified you worked at?

A Yes, sir.

Q Miss Delfos, is it your understanding that no charges would be brought against you as a result of your employment at 2 Chesterfield Hill or your relationship with Tidal Marine International?

A Yes, sir.

MR. MARMARO: Nothing further on direct, your Honor.

THE COURT: Mr. Fleming.

MR. FLEMING: Thank you, your Honor.

CROSS EXAMINATION

BY MR. FLEMING:

Q Miss Delfos, do you know Mr. Mark Scufalos?

A Yes, I do.

Q And there came a time when you went to work for a company called Union Commercial Steamship Company?

A Yes.

Q Was that located in Greece?

A Yes, sir.

Q Did you first go to work for that company in approximately 1968?

A Yes.

Q Were you employed in the first instance as a secretary?

A Yes.

Q And then subsequently did you become Mr. Scufalos' personal secretary?

A Yes.

Q That was an advancement?

A Yes.

Q Do you recall that in March of 1971 Union Commercial Steamship Company sold a group of ships to Tidal Marine International?

A Yes.

Q Do you recall that those ships included some of the ships about which you have given testimony, to wit, the Mersinida, I believe, the Trias and the Sandra. Do you recall that?

A Yes, sir.

Q That was in March of 1971, is that correct?

A Yes, sir.

Q You testified that you left Union Commercial

Steamship Company in April of 1971.

A Yes.

Q And that would have been approximately one month after Union Commercial Steamship had sold these 12 or 13 vessels to Tidal Marine?

A Yes.

Q And you left and you became employed at 2 Chesterfield Place in London, is that correct?

A 2 Chesterfield Hill.

Q I'm sorry, 2 Chesterfield Hill in London?

A Yes.

Q Is that correct?

A Yes.

Q And that is the place where you say Livas, Mr. Ion Livas and Harry Amanatides had a desk, is that right?

A Yes.

Q And Mr. Blonsky?

A Yes.

Q Am I correct that you did not want to leave Union Commercial Steamship Company and go to work for Tidal Marine?

A Yes.

Q Am I correct that Mr. Scufalos, your employer, persuaded you to leave Union Commercial Steamship Company and

gwlt 4 Delfos-cross

his employ and go to work for Tidal Marine in London or go to work at 2 Chesterfield Hill.

A Would you like to repeat the question, please?

THE COURT: Read it, please.

(Question read.)

A Yes.

Q Just so I can be straight, it is 2 Chesterfield Hill?

A Yes, sir.

Q All right.

What was that, a house of some sort, a house, or was it an office building?

A It was a house.

Q Am I correct that downstairs at 2 Chesterfield Hill Mr. Livas and Mr. Amanatides shared a single room?

MR. MARMARO: Objection as to form, your Honor.

THE COURT: There is nothing objectionable to the form except that I think it would be well to avoid the form of whether you are correct.

MR. FLEMING: I understand.

A a.m.

hplt 1 Delfos-cross

Q Did Mr. Livas and Mr. Amanatides share a single room, for business purposes, downstairs at 2 Chesterfield Hill?

A No. Excuse me, I'm sorry, did you say for work?

Q Yes, for work.

A Yes, they shared one single room.

Q And did they have two desks that were placed front to front facing one another, with one on one side of one desk and the other man on the other desk?

A Yes.

Q And is that the way they worked, in that way?

A Yes.

Q Mr. Blonsky was also there?

A No.

Q Mr. Blonsky's name is Michael Blonsky?

A Yes, sir.

Q Was he the head of this Interocean Company you talked about?

A Yes.

Q Was Interocean at 2 Chesterfield Hill?

A Yes.

Q Did Mr. Blonsky work at 2 Chesterfield Hill?

A Yes.

Q Were commissions paid to Interocean for

various services by the Tidal Marine?

A Not that I know of. They could have been made.

Q Was, to your knowledge, money paid into Interocean Brokerage as if Interocean Brokerage were actually engaged in the chartering business for Tidal Marine?

MR. MARMARO: Objection.

THE COURT: Overruled.

A Yes, I was told by Mr. Amanatides and Mr. Livas that the way Interocean was keeping its offices was by the commissions being paid into the company.

Q So that commissions were paid into Interocean?

A Yes, I suppose so.

Q Am I correct --

THE COURT: You say you suppose so. Do you know?

THE WITNESS: No, I didn't see the money come in

Q Do you recall testifying before a grand jury here in New York City on April 11, 1975?

A Yes, I do.

Q And being asked by Mr. John Gordon, Assistant United States Attorney.

A Yes, sir.

Q And do you recall being asked this question and giving this answer, page 13:

"Q Was this money paid into Interocean Brokerage

nevertheless as if it was a chartering operation?

"A Yes, it was. Money was paid in."

Do you recall being asked that question and giving that answer?

A Yes, sir.

Q And that was truthful?

A It was truthful.

Q Was some part of the money which was paid into Interocean in that manner spent by Mr. Amanatides and Mr. Livas on their own personal affairs?

A Yes, sir.

Q Was it Mr. Blonsky who disbursed the money from Interocean to Mr. Amanatides and Mr. Livas for use on their own personal affairs?

A Yes.

Q Did Mr. Livas keep a lot of what are called corporate books in his bedroom?

A Yes, sir.

Q And was one of Mr. Livas' so-called Transoceanic Shipping of Piraeus, or something of that sort?

A Transoceanic, yes.

Q That was a Livas company, to your knowledge?

A Yes.

Q And did Mr. Livas also have a corporation called

Union Commercial Shipping Company?

A Yes.

Q Did you testify that you typed minutes of Derwent Corporation at the request of Mr. Livas in London?

A Yes.

Q Did you make yourself or did those minutes make you the president of that company, Derwent?

A Yes, they did.

Q Did those minutes assign you a false and fictitious name?

A Yes.

Q And did you sign documents thereafter using that false and fictitious name?

A Yes.

Q And of course you knew that the name which you signed was not your own?

A Yes.

Q What was the name that you signed?

A Marcelle Delfou.

Q Did Mr. Livas tell you that he wanted you to assume that name so that you would appear to be a Swiss National?

A That is correct.

Q Did Mr. Livas have you flown in his own private

Falcon jet from London to Geneva, Switzerland for the purpose of signing papers with the name Michelle Delfou?

A Not Michelle.

Q I got the wrong name.

Did Mr. Livas have you flown in his own Falcon jet from London to Geneva for the purpose of having you sign papers in the name of Marcelle Delfou?

A Yes.

Q Were you all alone on that trip?

A No.

Q Was a stewardess there?

A Yes.

Q Just you and the stewardess?

A Yes.

Q And pilot?

A Of course.

Q And then you flew back to London, is that right?

A Yes.

Q You testified that you once called Mr. Naslas with regard to the Aquario. Do you recall that testimony?

I withdraw that.

Did you testify there came an occasion when you called Mr. Naslas with regard to the Aquario?

A No.

Q Did you testify that you typed a corrected version of the charter on the Aquario?

A Yes.

Q The original charter was on a vessel called the Dodone, is that correct?

A That is correct.

Q And then there was an addendum to the original charter which said that it would apply to the vessel Aquario, do you recall that?

A No, I don't recall the addendum.

Q You testified that you typed a new charter for th Aquario and substituted th name Aquario for Dodone, is that correct?

A Yes.

Q And that you also increased the length of the term of the charter?

A Yes.

Q And I believe you recalled the length of the charter was increased to three years and six months or 42 months?

A Yes.

Q Did Mr. Blonsky instruct you to do that?

A No.

Q Did Mr. Livas?

A Yes.

Q And that was at 2 Chesterfield [illegible]

A Yes.

Q Did Mr. Livas instruct the corrections for you to make?

A Yes.

Q Am I correct that this --

MR. GLEKEL: Same objection as before, your Honor.

Q Did Mr. Livas make these corrections on the Aquario charter and give them for you to type, the new charter in or about December 1971, or January 1972?

A Would you repeat the question again?

THE COURT: When did it happen?

THE WITNESS: When did it happen?

THE COURT: Yes. That's the shorter way of asking the question.

THE WITNESS: Some time around July of '71.

Q The corrections to the charter were typed some time in July of 1971?

A Yes, sir.

Q Did you prepare a series of charters in the name of Transocean, with Transocean as the charterer?

A Transoceanic.

Q Transoceanic,

A Yes, I did.

Q That was at Mr. Blonsky's direction?

A Yes, sir.

Q All of those were at Mr. Blonsky's directions?

A All of which?

Q The Transoceanic charters that you say you prepared.

A Yes, sir.

Q You knew them to be false charters when you prepared them?

A Yes, sir.

Q Shortly after you typed all of these Transoceanic charters at Mr. Blonsky's direction, did he direct you to type a lot of charters for the same ships with the charterer named Union Commercial Shipping Company?

A Yes.

Q In fact, you were mad because you had just done a lot of work, is that right?

A Yes.

T7B

Q And now you had to type these others?

A Yes.

THE COURT: She probably was angry, not mad.

Q Would you look at Defendants' Exhibit F and tell me if that is one of the charters that Blonsky asked you to prepare with Union Commercial Shipping Company as the charterer?

A Yes.

Q Does your signature appear on it?

A Yes.

Q On this particular exhibit, that is, Exhibit F, you were signing on behalf of Union Commercial Shipping Company of Monrovia, Liberia?

A Yes.

MR. GLEKEL: Objection. This isn't in evidence.

THE COURT: She sig[illegible] it. Go ahead.

Q And Mr. Amanatides signed for Denebola Navigation?

MR. FLEMING: I offer it, your Honor.

MR. MARMARO: No objection, your Honor.

THE COURT: Received.

xx (Defendants' Exhibit F received in evidence.)

b2 Q Did you know when Mr. Blonsky told you to type these charters, those charters were false?

A Could you clarify the question, please?

THE COURT: Are you talking about more than one?

MR. FLEMING: Yes, I understand.

Q When Mr. Blonsky told you to type up the charters with Union Commercial Shipping Company as the charterer, did you know that those charters were false?

A Yes.

Q When you signed them, did you know that you were giving a false signature?

A Yes.

Q Did you testify about typing a letter marked Government Exhibit 33-X, on Union Commercial Steamship Company dated October 14, 1971, to Mr. J. Metzger of the Bank of North America?

A I don't recall typing the letter.

MR. FLEMING: May we have that letter, please.

Q Would you look at Exhibit 33-X and see if it refreshes your recollection as to whether you did type the letter.

A No, I don't remember typing the letter.

Q Did you ever receive the letter before it was sent? I mean, did you ever see the letter at Chesterfield Hill?

A No, sir.

Q Did Blonsky tell you to prepare a corrected charter

hph 3 Delfos-cross

on the Tekton raising it to five years on an BP charter?

A Yes, sir.

Q When you did that, did you know you were preparing a false charter?

A Yes, sir -- no, I did not know.

Q As a matter of fact, am I correct that on at least two occasions, BP had increased a three-year charter to five years by agreement with Tidal Marine?

THE COURT: You say as a matter of fact BP increas it? Is that the question?

MR. FLEMING: I will withdraw it.

Q Do you recall the vessels Ionic King and Ionic Queen?

A Yes.

Q Do you recall whether there was at first a three-year BP charter on each of these vessels?

A I don't remember.

Q Do you recall BP voluntarily increasing the term of the charter?

MR. MARMARO: Objection.

Q Do you recall BP increasing the term of the charter on those two vessels, the Ionic King and Ionic Queen from three years to five years?

MR. MARMARO: Objection.

hph 4 Delfos-cros

THE COURT: Sustain She said she doesn't recall the first charter.

Q Do you recall any instance where BP increased the term of a charter accompanying a Tidal Marine vessel?

A No, sir.

Q You say Blonsky was sitting around Chesterfield Hill practicing the signature of Ashford for a day or so?

A Yes, sir.

Q Of course, the signature Ashford appears on some of these BP charters that you corrected at Mr. Blonsky's instructions?

A Yes.

Q Did you see Mr. Blonsky sign the charters, Ashford?

A No.

Q Did you see the charters with the name Ashford on them?

A Yes.

Q When you saw the charters with the name Ashford on them, did you then believe that the charter was false?

A Yes.

Q You also corrected a charter on the Tropis, a BP charter on the Tropis?

A Yes.

hph 5 Delfos-cross

Q At Mr. Blonsky's directions?

A Yes, sir.

Q And he made corrections and you typed out a new charter?

A Yes, sir.

Q You also made corrections on a charter of Wintershall, on the Aris?

A Yes, sir.

Q And again Mr. Blonsky gave you the corrections?

A Yes, sir.

Q At 2 Chesterfield Hil[illegible]

A Yes, sir.

Q You increased the term of that charter to, I think, five years?

A Yes, I presume.

Q You also increased the term of the charter on the Tropis, BP charter to five years, is that correct?

A Yes, sir.

Q Again at Mr. Blonsky's directions?

A Yes, sir.

Q To your knowledge was Mr. Blonsky acting at the direction of Mr. Livas?

A Yes.

Q When did you type the Mitsui Line charter about

which you testified on your direct examination, Government's Exhibit 275-A?

A I don't remember the exact date.

MR. FLEMING: Do we have that, 275-A, 275-C, and 273-A.

(Handed)

Q Can you tell by looking at those when you typed them?

A They say January 10, 1971.

Q Is that when you typed them?

A No.

Q Was Mark Scufalos connected with a company called Union Commercial Shipping Company Limited of Liberia?

A No.

Q Would you look at Defendants' Exhibit D and tell me if you recognize the signatures on page 2.

A I do.

Q And whose signatures are they?

A Mark Scufalos, Bahas, and Delfos.

Q The third signature is your own?

A Yes, it is.

Q Did you type the document which is Defendants' Exhibit D?

A Yes, I did.

hph 7 Delfos-cross

Q Did you ever hear of the Parama Shipyards?

A Yes, I did.

Q Do you know whether money was paid from London to the Parama Shipyard?

A Yes.

Q Was it paid in the form of wages?

A Yes.

Q To your knowledge, were any men working there?

A Subcontractors.

Q How many men were working at Parama to your knowledge?

A I don't know.

Q Was the money that was paid in wages actually used for wages, to your knowledge?

A I don't know.

Q Was the money which was paid to Parama Shipyards actually spent on yachts and cars and planes for Amanatides and Livas?

A Yes.

Q Were you at the closing in London on the Tagma?

A Yes.

Q Did you type a contract of sale with regard to the Tagma?

A Yes.

Q Was it a false contract of sale insofar as you knew?

A Yes.

Q Did you sign some documents at that closing?

A Yes, I did.

Q Were those signatures misrepresentations on your part?

A What do you mean, misrepresentations?

Q Were they false in the sense that they did not mean what they were supposed to mean?

A No, they were real.

They were your signature?

A Yes.

Q Who were you signing as?

A Marcelle Delfos.

Q In any capacity, any position?

A I was an officer of the company, of the owning corporation.

Q Of which company, the selling company or the purchasing company?

A Purchasing company.

Q That was Epidavros?

A That's correct.

Q And you were in fact an officer of that company?

A Yes.

Q And so too was Mark Scufalos, is that correct?

A I don't remember.

T8A Q Did you know a man in London named John Martin?

A Yes.

Q Was John Martin a ship broker?

A Yes.

Q Did John Martin prepare fixtures or fixture notes with regard to certain loan transactions?

A Sometimes.

Q What is a fixture note?

A A fixture note is a form of a letter in place of a charter party explaining the terms of a fixture of a vessel being chartered.

Q That is sent to a bank?

A If required.

Q As evidence of that, in fact, the vessel is being chartered?

A Yes.

Q And John Martin in London sent some fixtures to banks, fixture notes to banks?

A Not that I know of.

Q Did he prepare fixture notes for certain loan transactions?

gwh 2 Delfos-cross

A Maybe. I don't know.

Q Do you know whether or not money was deposited out of 2 Chesterfield Hill into a Swiss bank account of John Martin?

A Yes.

Q Did you come to New York for about a week in late May and early June of 1972?

A Yes.

Q Did you go over to the Bank of North America to pick up a letter from Mr. Metzger?

A Yes.

Q Did you meet Mr. Spartalis?

A Yes.

Q Did you meet Mr. Shevlin?

A Yes.

Q And Mr. Metzger?

A Yes.

Q And they were all in the same room together? Were you in the same room with the three of them together?

A Yes.

Q And did Mr. Spartalis say in that room in late May or early June, 1972, that Tidal Marine owned the National Bank of North America some $30,000,000?

A No.

Q Do you recall being interviewed on January 27, 1974, here in the United States Attorney's office?

A Well, I don't remember the date exactly, but it was some time around that time.

Q Do you recall telling an Assistant United States Attorney that Spartalis had told you that Tidal Marine owed NBNA $30,000,000 and that Shevlin and Metzger were present, not look surprised?

A I did say that Spartalis said that, but not at that same meeting. It was at a different period of time and a completely different place.

Q Did Spartalis say that to you in the presence of Shevlin and Metzger?

A No.

Q I ask you again: Did you say to an Assistant United States Attorney: Spartalis told her that Tidal Marine owed NBNA $30,000,000, Shevlin and Metzger were present, not look surprised? Did you tell them that?

A No.

Q Did you know Michael Palmer?

A Yes, I did.

Q Was Michael Palmer an investment banker working in London for Shearson, Hammill?

A Yes.

Q And Shearson, Hammill were investment bankers?

A If that's what they are called, yes.

Q Yes. Was Michael Palmer a close friend of Livas?

A Yes.

Q And did he go to Greece on occasion with Livas?

A Yes.

Q [illegible]t out on Livas' yacht?

A Yes.

Q And was he promising to raise sixty to eighty million dollars for Tidal Marine?

A I never heard the figure sixty to eighty million.

Q Do you know Mr. Metz[illegible], the banker?

A Yes.

Q Did you on one occasion see him accidentally in the summer of 1971 at the offices of Union Commercial Steamship Company in Greece?

A Yes.

Q Was he there with Mr. Scufalos?

A No.

Q Who was he there with?

A I don't remember.

Q Where did you see him?

A In Mr. Scufalos' office.

Q Do you know Mr. Cotzias?

A Yes, I do.

Q Did Mr. Cotzias have you type some letters to G.K. Scott?

A I don't remember.

Q In the summer of 1972 in London were Mr. Amanatides and Mr. Livas attempting to obtain loans from various banks?

A Yes.

Q Were they attempting to obtain a $2,000,000 loan from the National Bank of North America?

A Yes.

Q And was that loan refused?

A Yes.

Q At Chesterfield Hill did you see Mr. Amanatides tear up a check in the amount of $150,000 payable to a Swiss bank called Credit Swiss?

A Yes.

Q Did Mr. Amanatides say when he tore up the check that Mr. Spartalis was not going to get any more money if he wasn't going to give the loan?

A It was either Mr. Amanatides or Mr. Livas?

Q One or the other said Mr. Spartalis is not going to get any more money if he's not going to give this loan?

A Yes.

Q Did Mr. Amanatides ever tell you that he had paid Mr. Spartalis almost $800,000?

A No.

MR. FLEMING: I just have one or two more questions, your Honor, if I might have the indulgence of the Court.

(Pause)

8 a.m. gwlt 1 Delfos-cross

Q Miss Delfos, you have testified that the prosecutors in this case, the United States Attorney's office, had told you that you would not be prosecuted for anything you may have done as described in your testimony, is that correct?

A Yes.

Q Am I correct that you came to the United States voluntarily to testify or to submit to questions by the United States Attorney's office?

A Yes.

Q Am I correct that the reason you came and, in your words, the only reason you came, was on the assumption that it was going to help Mr. Scufalos?

A Yes.

Q You are very close to Mr. Scufalos?

A Yes.

MR. FLEMING: I think I have nothing further, your Honor.

THE COURT: Any redirect?

MR. MARMARO: Brief, your Honor.

THE COURT: All right.

REDIRECT EXAMINATION

BY MR. MARMARO:

Q Miss Delfos, I show you Defendant's Exhibit D in evidence. You have testified on cross examination that you prepared this document, is that correct?

A Yes, sir.

Q When is this document dated?

A June 30, 1971.

Q Did you prepare it at that time?

A No.

Q Do you recall when you did prepare it?

A Yes.

Q When was that?

A That was June 1972.

Q In what connection did you prepare this document?

A Would you like to explain your question, please?

Q Withdrawn.

Was this document prepared in connection with the closing of a loan?

A I don't know.

Q Did a loan close during June of 1972?

A Yes.

Q What vessel was that?

A The Tagma.

gwlt 3 Delfos-redirect

Q Do you recall testifying about a conversation with Mr. Naslas concerning the Aquario?

A Yes.

Q Did you call him or did he call you?

A He called me.

Q Then you had your conversation?

A Yes.

Q Do you recall testifying on cross examination about preparing certain charter parties where Union Commercial Shipping Company was the charterer?

A Yes.

Q Were those on the same vessels that you had prepared charters with Transoceanic Shipping of Piraeus as the charterer?

A Yes.

Q What if anything happened when you came to sign these charters, that is, the Union Commercial Shipping charter?

MR. FLEMING: I object to the form.

THE COURT: Overruled.

You may answer. He wants to know what if anything happened on that occasion.

A Well, Mr. Livas and Mr. Amanatides were standing in front of my desk when they asked me to sign the charter

parties, and I held out my hands and said, "How many years do I get for that?"

Q What if anything did either Livas or Amanatides say?

A Well, they said, "If anyone goes to jail, we will all go together."

MR. MARMARO: Nothing further of this witness, your Honor.

RECROSS EXAMINATION

BY MR. FLEMING:

Q Of course you are not going to jail, are you?

A I hope not.

Q And Mr. Amanatides is in Greece, to our knowled is he not?

MR.MARMARO: Objection.

THE COURT: Sustained.

Q When did you last see Mr. Livas?

A June '72.

Q Where was he then?

A Sorry. It was not June '72. It was December '72 and I was in Greece.

Q Did he then flee Greece?

MR. MARMARO: Objection.

THE COURT: The form is objectionable.

Did he leave Greece at that time?

THE WITNESS: Either December of January. I don't know. Somewhere around that time.

Q Was that because he had written some checks or something of that sort which didn't have any funds to them?

A No, becausehe was prosecuted by the Greek government.

Q Let me ask you again:

Did he flee, f-l-e-e, Greece, to avoid prosecution?

A If that is the right word, yes.

Q Do you know where he is now?

MR. MARMARO: Objection.

THE COURT: Overruled.

A No.

(Defendant's Exhibit K was marked for identification.)

Q Did you type that, Miss Delfos?

A No.

Q Is that Mr. Blonsky's signature?

A Initials.

Q Initials?

A Yes.

Q Was there another secretary in the office?

A Yes.

Q Is that the typing of Chesterfield Hill?

A Yes.

Q You have the original of Defendant's Exhibit D, is that correct? That is the minutes of Union Commercial Shipping Company, Ltd.

A Yes.

Q You say you typed this in June of 1972?

A Yes.

Q Did you make a typographical error when you typed June 30, 1971?

A I don't think so.

Q You meant to type that?

A Yes.

Q When you swore to it on the last page, on June 13, 1971, was that a typographical error?

A It is a typographical error, but it was corrected to '71.

MR. FLEMING: May I have the answer?

THE COURT: Read the answer.

(Record read.)

A It was supposed to be 1971 and I put '72 by mistake.

Q It says '71, doesn't it?

A Yes, but you can see it is corrected.

Q I see.

There are vessels listed on the front page.

A Yes.

Q Are those the vessels that were sold by Union Commercial Staemship Company to Tidal Marine?

A Yes.

Q That list does not include, am I correct, the May or the June?

A No.

Q It includes the Timi and the Triton?

A Yes.

Q Thank you very much.

MR. FLEMING: I offer K, your Honor.

I have nothing further.

MR. MARMARO: May I see it?

THE COURT: Is that all for this young lady?

MR. MARMARO: Nothing further from the government your Honor.

MR. GLEKEL: We just want to take a look at Exhibit K.

THE COURT: It has nothing to do with this witness, does it?

MR. MARMARO: That is correct.

MR. GLEKEL: No objection, your Honor.

(Defendant's Exhibit K was received in evidence.)

THE COURT: All right, you are excused.

(Witness excused.)

THE COURT: Ladies and gentlemen, we will recess now until 2 o'clock.

(Luncheon recess.)

AFTERNOON SESSION

2:10 p.m.

(In open court - jury present.)

MR. FLEMING: May I read to the jury Exhibit K?

THE COURT: Yes.

(Mr. Fleming read to the jury from Defendant's Exhibit K in evidence.)

THE COURT: Next witness.

MR. GLEKEL: Your Honor, the government has an exhibit it would like to read.

We also have a chart previously marked for identification which we would like to offer into evidence.

MR. MARMARO: The government would like to offer into evidence Exhibit 1110.

(Government's Exhibit 1110 was received in evidence.)

MR. MARMARO. With your Honor's permission, I would like to read a portion of it.

(Mr. Marmaro read to the jury from Government's Exhibit 1110 in evidence.)

MR. GLEKEL: Your Honor, at this time the government offers Exhibit 900E for identification, a chart summarizing exhibits referring to the Aquario.

MR. FLEMING: We just have the same objection as

we had with regard to the other charts, your Honor.

THE COURT: I don't know what that was.

MR. FLEMING: The summation objection.

THE COURT: That doesn't convey anything to me. Will you explain it to me? This is a summary and does not go beyond what is already in the exhibits, is that right?

MR. GLEKEL: Your Honor, the exhibit numbers are marekd at the right of the chart. There is one entry on the chart which I believe is based on the testimony of witnesses and there is not, as far as I have come across, an actual document supporting it. That entry is so indicated by the lack of an exhibit number supporting it.

THE COURT: Anything else?

MR. FLEMING: No, sir.

THE COURT: Received in evidence.

(Government's Exhibit 900E was received in evidence.)

THE COURT: I take it all you have done here is to set up in chronological style the information that appears on the exhibits, plus that one entry that you mentioned just a moment ago?

MR. GLEKEL: That is correct, your Honor.

THE COURT: And that one entry may be found by the fact that there is no exhibit reference to it, meaning

late in October, 1971, on the second of these two sheets, Hanlon met with Captain Huerta, Amanatides and Sheneman in London, concerning the operation of the Aquario and that information you say is taken from the testimony of witnesses that the government has already produced?

MR. GLEKEL: Yes, your Honor.

For clarification, I should say where it says "Hanlon submit to the National Bank of North America," that is taken from the record, and the phrase, "and its attorney, Joseph Peter Flemming" is not on the record because the exhibit referred to is the charter itself and the correlating matter to the charter.

THE COURT: Mr. Joseph Peter Flemming was here as a witness and testified.

MR. FLEMING: May I hand up a note, your Honor?

(Handed.)

THE COURT: Mr. Glekel, here is a message that Mr. Fleming furnished to me. Is there anything in this memorandum that requires correction of the chart?

MR. GLEKEL: Your Honor, Mr. Fleming is absolutely right.

THE COURT: Can you correct the chart with a crayon so as to take care of that?

MR. GLEKEL: Absolutely.

THE COURT: I now explain to the jury what should be corrected on that chart so that they will be able to follow it.

MR. GLEKEL: Yes.

The heading of the chart under Aquario reads: "Purchase and Financing at Bank of America."

It should read, and it is being corrected to read:

"Purchase and Financing at the First National Bank of Boston."

THE COURT: All right.

We will consider the chart has been and will be amended accordingly.

MR. GLEKEL: Yes, your Honor.

The first entry, under "Date" is June 7, 1971, and under the heading "Purchase and Financing at First National Bank of Boston" it reads as follows:

"Hanlon caused the formation of Southeast Tanker Company, Ltd."

The exhibit number referring to the document is indicated on the right and I won't read off each exhibit number.

hph 1

T1B

The second entry, July 8, 1971: "Hanlon transferred $79,500 from the account of Kowloon Tankship Company Limited to account of seller as 10 percent down payment on the purchase price of the Aquario which was $795,000."

The next entry: July 11, 1971. "Hanlon prepared corporate resolution for Southeast Tanker authorizing its purchase of the Aquario."

The next entry under date of July 13, 1971: "Hanlon transferred $35,500 from Kowloon Tankship to account of Southeast Tanker at the First National Bank of Boston."

The next entry, July 15, 1971: "Southeast Tanker issued 500 shaes of stock, 100 of which were issued to Hanlon."

The next entry: July 16, 1971. "Southeast Tanker obtained a loan of $780,000 from the First National Bank of Boston to finance the purchase of the Aquario. The loan was secured by a 33-month time charter to Compania Shell De Venezuela Limited and based upon a valuation of $1,300,000 on the Aquario."

The next entry, July 16, 1971:

"Hanlon sent a telex to Captain Huerta specifically referring to charter party on the Aquario."

hph 2

The next entry also on the same date: "Hanlon registered two bills of sale for the Aquario. One bill of sale conveyed the Aquario from the seller to Brent Shipping Company Limited at a purchase price of $795,000. The second signed in behalf of the Brent Shipping by Paul Katritsis conveyed the Aquario from Brent Shipping b2 to Southeast Tanker at a purchase price of $1,300,000."

The next entry also July 16, 1971. "Hanlon as attorney for Southeast Tanker executed a first preferred mortgage on the Aquario in favor of the First National Bank of Boston which represented that all the issued shares of Southeast Tanker were owned by Transoceania Shipping Company."

Now we move to the second panel of the chart heade "Aquario, Operation of Aquario."

Under the date of October 14, 1971, "Hanlon met with Captain Huerta in Curacao in regard to Aquario."

The next entry not supported by a doctument, "Late October, 1971, Hanlon met with Captain Huerta, Amanatides and Sheneman in London concerning the operation of the Aquario."

The next entry January, 1972, "Hanlon met with Huerta and Sheneman in Caracas concerning the operation of the Aquario."

hph 3

January 28, 1972, "Hanlon wrote a letter to Captain Nout of Compania Shell De Venezuela Limited regarding objections to charter hire deductions made by Shell and referring specifically to a clause in the charter with Shell."

The next heading on the chart "Refinancing at National Bank of North America."

Under date of "Early February, 1972, Hanlon submitted to the National Bank of North America and its attorney Joseph Peter Flemming, a charter which states that Compania Shell De Venezuela Limited had chartered the Aquario for 42 months."

The last entry under date of February 11, 1972: "Hanlon signed a loan agreement with the National Bank of North America as attorney for Southeast Tanker under which the National Bank of North America loaned $1,500,000 to Southeast Tanker secured by a 42-month time charter with Compania Shell De Venezuela. The loan agreement stated that the Aquario was on charter to Compania Shell De Venezuela Limited for 42 months."

That concludes, your Honor, Government Exhibit 900-E.

T2A

MR. MARMARO: If the Court please, the government calls Joyce Walker.

THE COURT: Mr. Glekel, just a minute. We are going to fix your chart right now.

MR. GLEKEL: Fine, your Honor.

(Pause)

J O Y C E D. W A L K E R, called as a witness, having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MARMARO:

Q Ms. Walker, how are you employed?

A I'm a sales representative.

Q Where is that?

A In Dallas, based in Dallas.

Q Have you ever been employed by a company named Tidal Marine International Corporation?

A Yes.

Q When was that?

A October of '71 to December of '72.

Q What were your duties when you were first hired at Tidal Marine?

A I was hired originally as secretary to Frank Sottile, and when he left Mr. Amanatides asked me to be

his secretary.

Q When did you become Mr. Amanatides' secretary?

A I believe it was December of '71.

Q What were your duties as Amanatides' secretary?

A The normal clerical duties as well as some personal correspondence, fairly standard things.

Q Do you know a man named Paul Katritsis?

A Yes.

Q Was he employed at Tidal Marine?

A Yes, he was. He came after I did.

Q After you had began?

A Yes.

Q When was that, about?

A I think it was around December of '71.

Q What was his duties at Tidal Marine?

A When Paul first came to work with us -- he's Mr. Amanatides' nephew also. He came to work for us part time while he was going to school at the beginning and then his -- as his hours increased, his duties increased also.

Q What was his duties?

A He was like a confidante to Mr. Amanatides. He took care of personal matters for him, acted as a spokesman for Mr. Amanatides when he was out of town

and he was his personal as well as his business assistant.

Q Did Mr. Katritsis' duties include any typing?

A His normal functions weren't typing. That's what I was for, and there were plenty of other girls in the office to type. On occasion he did type for Mr. Amanatides.

Q On what occasions would that be?

A Usually for business documents or letters or things that they felt were not of general company business, they didn't --

Q Who felt?

A Mr. Amanatides.

MR. FLEMING: I object to that and ask that it be stricken.

THE COURT: Objection overruled.

Motion denied.

Q Did you have any conversations with Mr. Amanatides about Mr. Katritsis' typing?

A Yes. On one occasion that I remember I -- Mr. Amanatides was writing out some papers and I said, "Do you want me to type that?"

He said, "Paul will do it. It's none of your business."

Q Did you have any conversations with Mr. Katritsis concerning his typing?

A One that I remember was I came in one day and Paul was typing at my typewriter. I said, "Do you want me to do that?"

He said, "No, Harry wants me to do it."

Q Are you familiar with the circumstances surrounding the preparation of Tidal Marine's financial statement in March of 1972?

A Yes.

Q How was that statement prepared?

A I know that it was done in a rush. Mr. Amanatides had an appointment the next day with some bankers regarding a loan.

MR. FLEMING: May I write your Honor a note on that

THE COURT: Yes.

(Pause)

THE COURT: This is marked Court's Exhibit 6.

I decline to speculate in the course of the examination what will come out and I can't anticipate that it will be as counsel predicts it.

We will take it as it comes and rule upon its relevance and materiality as it appears.

You may proceed.

(Courts Exhibit 6 marked.)

MR. MARMARO: Your Honor, may we have the last

question read back?

THE COURT: Yes. Read back the last three questions we are back in the frame of reference.

(Record read)

Q What, if anything else, happened in connection with this financial statements preparation?

A We were rushed to get the figures completed and Mr. Amanatides had asked Joe Grendi, an accountant for S.D. Leidesdorf, to stay late and complete the figures. He finished them around 8:30 or so in the evening and gave them to me to type and left, and left Mr. Amanatides and myself in Paul's office.

I typed them, gave them to the two of them and left.

p.m. gwlt 1 Walker-direct

Q While you were t/..ng the financial statements, did Mr. Amanatides have a conversation?

A He and Paul had been talking in Greek, which happened quite a bit. One thing he did say in English, they were -- Mr. Amanatides was talking about the figures that Mr. Grendi had prepared and he said the earnings per share figure would never work, they would never get the loan with the figure that low.

Q What if anything else happened next with the preparation of these financial statements?

A That night, nothing. The next day Paul gave me a copy of the financial statement and it was on top of my copy that I had typed the night before. There had been some pencil changes on my copy and it had been retyped.

Q In whose handwriting was the pencil changes?

A Mr. Amanatides.

Q Did Mr. Amanatides ever do any typing?

A Not to my knowledge, no.

Q Do you recall the nature of the pencil changes?

A The figures had been changed almost all the way down the column and the end result was the earnings per share figure was higher and so was the net worth figure.

MR. MARMARO: Nothing further on direct, your Honor.

MR. FLEMING: May I have just a moment, your Honor?

(Pause.)

THE COURT: The motion for a mistrial is denied. The memorandum is marked Court's Exhibit 7.

The evidence is clearly relevant and probative on the issues of knowledge, motive and intent.

(Court's Exhibit 7 marked.)

THE COURT: The motion for a mistrial, Court's Exhibit 8, is denied.

(Court's Exhibit 8 marked.)

CROSS EXAMINATION

BY MR. FLEMING:

Q Is it Miss or Mrs. Walker?

A It is Miss now.

Q Miss Walker, did you just testify that Paul Katritsis was Harry Amanatides' nephew?

A Yes.

Q That he was a part time employee when you first went to work for Tidal Marine?

A Yes, sir.

Q And that his hours thereafter increased?

A Yes.

Q That he took care of personal matters for Mr. Amanatides?

A Yes.

Q That he acted for Mr. Amanatides when Mr. Amanatides was out of town?

A Yes.

Q That he served as Mr. Amanatides' spokesman when Mr. Amanatides was out of town?

A Yes.

Q Did you identify him as Mr. Amanatides' confidant?

A Yes, I did.

Q On your oath?

A Yes.

Q This financial statement about which you have given testimony, was that an annual audited financial statement for Tidal Marine, Incorporated?

A Not an annual, to the best of my recollection.

Q To the best of your recollection, what was it?

A It was a financial statement prepared showing earnings up to and including the first quarter of that year.

Q First quarter?

A Yes.

Q Was it audited?

A It was prepared by Joe Grendi, who was an auditor for the firm. I assume that means it was audited.

gwlt 4 Walker-cross

Q Is it your recollection as secretary to Harry Amanatides that S.J. Leidesdorf prepared an audited financial statement for Tidal Marine's first quarter of operations in its fiscal year?

MR. MARMARO: Objection.

THE COURT: I think the form of the question is objectionable unless you clearly indicate that you are asking something other than what the witness has responded to.

MR. FLEMING: May I withdraw it for just --

THE COURT: The witness has testified that it was prepared by an auditor. If you have a further question as to the nature of an auditor's work, -- I don't think I need to go into the details of it -- you ask that question.

Q Was this an audited financial statement?

A I know that it was done. The figures were prepared by a man employed by the auditing firm that did Tidal Marine's financial statements.

Q That was S.J. Leidesdorf?

A S. D. Leidesdorf, yes.

Q It was for a quarter of the year?

A Yes.

Q Do you know if it resulted from an audit?

A The figures were compiled by an auditor for the firm. I assume it was.

gwit 5 Walker-cross

Q Do you know if S.J. Leidesdorf gave an opinion to the figures?

A No, I don't.

Q In any event, it was just a quarterly report?

A Yes.

Q Do you recall being questioned in the grand jury on March 8, 1974?

A Yes.

Q Being questioned about Mr. Katritsis?

A Yes.

Q Do you recall being asked this question by Mr. Gordan and giving this answer --

MR. MARMARO: What page, Mr. Fleming?

MR. FLEMING: Page 89:

"Q We mentioned Mr. Katritsis before. What exactly did he do at Tidal Marine, once he actually got into it?

"A Well, he was working with Mr. Marrone's brother on the annual report. He took care of a lot of personal things for Mr. Amanatides. He was involved in looking for new office space and whatever other various things that came up. He didn't really have any specific job functions. He was just sort of around to take care of whatever came up."

Did you so testify in the grand jury?

A Yes.

Q And do you recall prior to your grand jury appearance, being interviewed by Assistant United States Attorney John Cordan on March 6, 1974, in the presence of an agent of the Federal Bureau of Investigation?

A Yes.

Q And do you recall stating at that time with regard to this quarterly report, that you had typed the report and given it to Amanatides and that Amanatides had you retype the report and increase the earnings per share?

A No, I don't remember that at all.

Q You don't recall saying that to Mr. Gordon and the FBI?

A No, I don't recall saying that.

Q Do you recall testifying in the grand jury under oath --

A If I can interject a second.

I think what happened --

Q I would rather you did not interject.

A All right.

Q Do you recall testifying under oath about this matter before the grand jury?

A Yes.

Q Do you recall telling Mr. Gordon in the grand jury under oath, that you thought you had typed the new figures --

MR. GLEKEL: What page, Mr. Fleming?

MR. FLEMING: 90.

THE COURT: Is this a response that you are reading or is this a paraphrase?

MR. FLEMING: It is a paraphrase.

THE COURT: Don't paraphrase it. Read it.

Q These questions and answers:

"Q Did you ever observe Mr. Amanatides do any writing which struck you at all as suspicious involving any financial statements?

"A Yes. One instance that I remember Joe Grendi with S.D. Leidesdorf had prepared a quarterly statement and I believe it was the one ending March of 1972 and we worked late. I stayed and typed and delivered to Mr. Amanatides.

"The next day I came in there was a copy lying on my desk and it had been changed and Paul typed it up himself that night, with his own corrected figures."

Do you recall being asked that question and giving that answer?

A Yes.

Q And you said Paul had typed it up himself that night.

Had you seen Paul type it up?

A No.

Q And Mr. Gordon asked you who typed it and your answer, "I thought I typed it when I spoke to you before but I turned over the final to him as I left the office and when I came in the next day I saw the figures and someone else had typed it."

Were you asked that question and did you give that answer to the grand jury?

A To the best of my knowledge, yes.

Q I ask you again, when you were interviewed by Mr. Gordon and the FBI on March the 6th, in Mr. Gordon's office, did you tell Mr. Gordon and the FBI that you had retyped the figures?

MR. GLEKEL: Objection, your Honor. That has been asked and answered.

THE COURT: The question stands out by saying, "I ask you again." If you are going to ask her again, it seems to me that you should do it in the proper form and ask her whether she made a particular statement that you referred to, not your paraphrase, unless you are asking some questions other than what she answered.

Q Does that refresh your recollection that you told Mr. Gordon and the FBI in Mr. Gordon's office on March the 6th, 1973, that you had typed up the report and given it

to Amanatides and that Amanatides had had you retype the report and increase the earnings per share?

THE COURT: Who increased the earnings per share in that response? Is there a punctuation there or anything?

MR. FLEMING: No.

THE COURT: All right, go ahead in your own way, Mr. Fleming. I cannot follow this.

Put another question or go back. Whichever way you want.

THE WITNESS: Could you restate the question?

Q The question:

When you were questioned by Mr. Gordon in his office on March 6, 1974, did you tell Mr. Gordon that you had retyped the figures?

A What I believe happened, were those figures --

MR. FLEMING: Your Honor, could I have an answer to that question?

THE COURT: You will get an opportunity to state what you believed happened if the government wants to find that out. Mr. Fleming wants this particular question answered at this point.

A Then I did say that to John Gordon.

THE COURT: You stated what appears in the grand

jury testimony, is that right?

THE WITNESS: Yes.

THE COURT: Is that a statement or --

MR. FLEMING: What I have just asked about, your Honor, is an interview in Mr. Gordon's office on March the 6th.

THE COURT: I would appreciate it if you would just refer to it as the interview, so we are not confused about the grand jury. In an interview.

Q In the interview, did you say that you had retyped the figures?

A I don't remember saying that but it is possible.

Q Subsequently in the grand jury, two days later on March the 8th, did you tell Mr. Gordon that "I thought I typed it when I spoke to you before."

A Yes, I did say that.

Q Does that refresh your recollection that when you first spoke to Mr. Gordon on March the 6th you told Mr. Gordon that you had retyped the figures?

A It refreshes my memory only because that is what you are telling me what I said.

Q It does not refresh your recollection?

A No.

Q Did you testify in response to questions today

on direct examination, that you had heard Mr. Amanatides say that they would never get the loan with these figures, or words to that effect?

A Yes.

Q You testified about this transaction in the grand jury, am I correct?

A Yes.

Q You had previously been interviewed by Mr. Gordon in his office?

A Yes.

Q At any time during that testimony, did you quote Mr. Amanatides having said in your hearing, in words or substance, that the bank would not lend money on these figures?

MR. MARMARO: Objection.

A I wasn't asked that question.

Q You weren't asked that question?

A No.

Q You were asked about the transaction.

A In generalitites, yes. He didn't push me any further.

Q When did you first tell anyone that you had heard Mr. Amanatides say that night that the bank would not lend money unless the earnings were increased?

MR. MARMARO: Objection.

THE COURT: Overruled.

A I don't know if we even talked about it before. We have had several conversations about that transaction, you know, since it all happened, so I don't know when the first time would be.

Q Did you talk to Mr. Gordon?

A I don't believe I mentioned it to Mr. Gordon, no.

Q Did you talk to Mr. Marmaro?

A Yes.

Q Did you talk to Mr. Glekel?

A Yes.

Q You had several conversations?

A Yes.

Q Now you remember, is that right?

A Now I said it, yes, under oath.

Q What loan was this quarterly statement submitted in support of?

A I have no idea. There were a lot of things -- I have no idea.

MR. FLEMING: I have nothing further.

THE COURT: Anything else?

MR. MARMARO: Brief redirect, your Honor.

REDIRECT EXAMINATION

BY MR. MARMARO:

Q Your duties included typing, is that correct?

A Yes.

Q And there were many other women around, is that correct?

MR. FLEMING: We have had all that. I object to the repetition.

THE COURT: It is preliminary.

Go ahead.

A Yes.

Q The evening during which the statements were prepared, who was around?

A Mr. Amanatides and Mr. Katritsis and myself.

MR. FLEMING: I object to this.

THE COURT: Overruled.

Q Was Mr. Grendi there?

A Yes, until he finished.

Q Was anybody else present?

A No.

Q When were you first asked in detail about this transaction?

A In detail? This morning.

Q Was that the first time you were specifically

asked about conversations?

A Yes.

MR. MARMARO: I have nothing further.

RECROSS EXAMINATION

BY MR. FLEMING:

Q This morning was the first time you were ever asked about the conversations?

A Specific, yes.

THE COURT: No questions?

MR. FLEMING: No.

THE COURT: You are excused.

(Witness excused.)

MR. MARMARO: With the Court's permission I would like to read a portion of Government's Exhibit 300B in evidence.

(Mr. Marmaro read to the jury from Government's Exhibit 300B in evidence.)

MR. GLEKEL: Your Honor, the government calls John Shevlin.

J O H N J. S H E V L I N, called as a witness, having been duly sworn, testified as follows:

MR. GLEKEL: Your Honor, Mr. Fleming asked me to wait. He has a note.

THE COURT: The objection to this testimony is overruled. This is Court's Exhibit 9.

(Court's Exhibit 9 received.)

DIRECT EXAMINATION

BY MR. GLEKEL:

Q Mr. Shevlin, how are you presently employed?

A I manage an automotive tune-up center in Long Island.

Q Were you previously employed by the National Bank of North America?

A Yes.

Q When did you join the bank?

A Around August, September, '65.

Q Would you please keep your voice up because it is necessary that all the jurors be able to hear your responses, sir.

A August, September, 1965.

Q Did a time come when you were assigned to the ship loan department at the bank?

A Yes, it was some time around 1968, '69.

Q Do you recall the circumstances under which you were transferred to the ship loan department?

A Yes, I was working in the credit department and I had done some credit work for Mr. Metzger who was in the shipping department. He liked the work and they were looking for an assistant to Mr. Spartalis and they recommended me and I accepted.

Q Directing your attention to 1971 and 1972, who were the lending officers of the ship loan department of the National Bank of North America during that period?

A Mr. Spartalis was the head of the department. Mr. Metzger was next in line, and I was third.

Q What was the arrangement of the officers, Mr. Metzger, Mr. Spartalis and yourself?

A Mr. Spartalis was the top officer, Mr. Metzger next and I was last.

Q Were your offices physically located near each other?

A Yes. Mr. Metzger was on one side of Mr. Spartalis' office and I had a desk outside of Mr. Spartalis' office. It was 1, 2, 3.

Q Did you have an individual lending limit during 1971 and 1972?

A Yes, I did.

hph 3 Shevlin-direct

Q How much was that approximately?

A I believe it was $50,000 non-secured and three times that secured.

Q Did each lending officer in the ship lending department have such a limit?

A Yes.

Q Under the rules of the bank, what could the lending limit be used for?

A Only loaning up to one borrower or affiliates of that borrower, you can only loan up to the maximum of the line. Anything above that would have to go to a higher authority or shipping committee.

Q Above your lending limit?

A Right.

Q Was there a different procedure to be followed for loans in excess of the lending limit of a loan officer?

A Yes. It would have to be presented to the shipping committee for approval.

Q Is that the ship department loan committee?

A Yes.

Q Did there come a time when Tidal Marine International Corporation became a borrower from the National Bank of North America?

A Yes, around July 1969.

Q At the beginning of this relationship, did you meet any individuals connected with Tidal Marine?

A Yes, I met Mr. Amanatides, Mr. Naslas, Mr. Hanges. Primarily they were the people I dealt with.

Q Directing your attention to the late fall of 1970, and early 1971, do you recall a loan approved by the loan committee on four ships by the names of the Ilion, Marilion, Harilion and Krilion?

A Yes, I do.

Q Do you recall the amount of this loan?

A I believe it was around two million two.

Q What was the security of the loan?

A The four ships with the same name which you just mentioned and there were charters with Unimar Corporation, four charters.

Q Is that the basis on which the loan was submitted to the loan committee?

A It was submitted that way but the committee turned it down because they wanted more substantial charters. The committee told me to go back to the borrower and ask him if he could get more substantial charters. I called up either Mr. Amanatides or Mr. Naslas and informed them the committee was not satisfied with the charters and that they would have to get some substantial companies to

charter those vessels if they wanted it approved.

Q Then what happened?

A They came back to me and told me that they had Japan Lines, Mitsui Lines I believe, Port and Blue Funnel Lines --

THE COURT: Mr. Shevlin, the word "believe" may be a form of expression or it may merely indicate lack of knowledge. So, when you use it, we're not clear. If you can omit your beliefs, and either say you know or you don't know, we will not run into any difficulty as to what the meaning is.

MR. FLEMING: I also object to the use of the word "they", your Honor.

THE COURT: Unless the context is so unclear that we can't proceed, I will leave it to cross-examination to bring out anything that is not clear on direct.

Now going back a moment, would you repeat the question and get the witness' answer. If you know, leave out the word "believe" and if you don't know, please say you don't know and leave out the word "believe."

A Either Amanatides or Mr. Naslas would come back to me and told me he had charters with Matsui Lines, Japan Lines, Port Line, Blue Funnel Lines and the committee had agreed to let them charter to Unimar.

Q What happened after either Amanatides or Naslas came back with the charter?

A We resubmitted them to the committee and the loan was approved and the charters were brought in to us, the charter parties.

Q Did this loan subsequently close?

A Yes, it did.

Q Were you presente at the closing?

A Yes.

Q Do you recall who represented Tidal Marine at the closing?

A I believe it was Mr. Hanlon. It was Mr. Hanlon.

Q Subsequent to this loan on these four ships, did you continue to meet with individuals representing Tidal Marine?

A Yes, I did.

Q And who from Tidal Marine did you meet with?

A Primarily Mr. Amanatides and Mr. Naslas.

Q Directing your attention to early 1971, did you have any discussions with anyone at about that time concerning the receipt of gifts?

A Yes. In January, 1971, Mr. Naslas called me up and asked me to lunch. I think the restaurant was Delmonico's or the Coachman. At lunch he told me that Mr.

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE

Amanatides had appreciated all the things I had done for Tidal and they would like to do something for me, buy a stereo set, and at that time I told him I did not want anything, I just appreciate the fact that I had a chance to work on the account and it wasn't necessary to give me any gifts at all. So we walked back to the bank that day, in front of the bank I shook hands with him and I repeated I didn't want anything, but I was just happy I had a chance to work on the account.

Q Did you have any further discussions?

A Yes, about two weeks later Mr. Naslas called me again, took me to lunch once again and told me how disappointed Mr. Amanatides was that I had, you know, that I did not want a stereo set. We started talking about other things. I mentioned to him I was interested in golf and I was thinking about buying a set of golf clubs but I didn't want anything from them. We walked back to the bank again. I told him again, please, it is not necessary to give me anything and I went up to the bank and I had forgotten about it for a period of time.

Q Did you have any subsequent discussions with anyone concerning golf clubs?

A Yes, I think about two months later that Mr. Naslas called me up again and asked me what type of golf

clubs would I want, was it First Flight or the standard model or something like that. I said in terms of golf clubs, I think First Flight was better but it wasn't necessary to give me anything.

Q Did you have any subsequent discussions concerning these golf clubs?

A About two months after that, probably May or June, Mr. Naslas once again called me up and told me that the golf clubs had arrived, would I pick them up. I said I do not want the golf clubs and especially at this time we had had a problem with one of Tidal's loans. The loan on that ship, the charter had lost--

MR. FLEMING: Objection, your Honor, unless this addition is part of the conversation.

THE COURT: Is this part of the conversation?

THE WITNESS: I was trying to put it in a time frame.

MR. FLEMING: I move to strike it.

THE COURT: Strike out so much of it as is not conversation.

THE WITNESS: I think part of this was part of conversation. I told Mr. Naslas in view of the fact the Tama charter had been lost, I didn't want them before and I certainly don't want them now, and after I got finished

on the phone with him, I called Mr. Amanatides and said, "If you're a friend of mine, please don't give me these golf clubs, I don't want them, I do not want to hear about them, I didn't want them in the first place and I don't want them now."

Q Did there come a time when you received the golf clubs?

A Yes. About two months later I received another call from Mr. Farber, the golf clubs were collecting dust, would I put them up and again I repeated I did not want the golf clubs. Around Christmastime, I received a call from Mr. Naslas saying "Will you pick them up now."

I said "I don't want to pick them up, send them to my house" because I had already become involved with Tidal in some sort of financial agreement, and at this time--

MR. FLEMING: May I ask if this is part of the conversation or the workings of his mind?

THE COURT: Is there anything that you have just recited that is the working of your mind rather than conversation in this last answer?

THE WITNESS: I told him to send the golf clubs to my house.

MR. FLEMING: I move to strike the rest of it.

THE COURT: Yes.

Q Mr. Shevlin, directing your attention to the spring of 1971, do you recall submit a loan on a ship by the name of the Tama, to the loan committee?

A Yes, I do.

Q Do you recall who was the borrower on this transaction?

A Yes, a subsidiary of Tidal Marine, named Betelgeuse.

Q And who submitted the loan to the ship loan department?

A Mr. Amanatides or Mr. Naslas.

Q Did a time come when the loan committee approve this loan?

A Yes, they did.

Q And the loan closed?

A Yes, it did.

T4A

Q Were you present at the closing of the loan?

A Yes, I was.

Q Who else was present at the loan closing?

A Mr. Peter Fleming, who represented the bank, Mr. Hanlon and Mr. Naslas are the ones that I recall.

Q Do you recall where this closing occurred?

A It was some place on Broad Street. I don't remember. It was at one of the consuls, whatever the flag of the ship would be.

Q What was the charter on the ship?

A It was a time charter to Amoco of Japan.

Q Were there any discussions of the closing concerning the charter?

A Yes. I recall Mr. Fleming during the closing making a phone call to somebody. He didn't tell me the details. He just said it was in regard to the charter.

I heard no further about it until after I left the closing. We closed and as we were leaving the closing we were walking down Broad Street and I was talking to Mr. Fleming.

He said, "I do not think there is a charter on that ship."

I said to him, "This is a hell of a time to tell

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y. 10007

me."

Mr. Naslas was walking behind me. I dropped away from Peter and I walked back to Mr. Naslas.

I said to him, "Peter Fleming feels there's no charter on the ship. Is there anything to this?"

And he said, "No, there is a charter on the ship. There is nothing to be concerned about."

I did go back to the bank and I reported it to Mr. Spartalis who got very angry and said I should not have closed the loan on the basis of a fixture note rather than a charter party to begin with.

Q Do you recall any further conversations with Mr. Amanatides or Mr. Naslas concerning this charter?

A Well, after I spoke to Mr. Spartalis he called Mr. Amanatides and Mr. Naslas during -- there was probably a period of time of one week or ten days asking them about it. About two weeks later they admitted there was a problem with the charter, something had happened with the broker where the charter was lost. They claimed it was through no fault of their own.

Mr. Spartalis then sent them letters telling them that if this thing was not remedied or the loan taken out of the bank within a 90-day period, it would be turned over to bank counsel.

gwh3 Shevlin-direct

Q Did you or Mr. Metzger or Mr. Spartalis ever report the non-existence of a Tama charter to the loan committee?

A No, we did not.

Q Directing your attention to August of 1971, what was the approximate amount of loans outs-anding in Tidal Marine at that time?

A As I recall, there were approximately $9,000,000 outstanding.

Q During that month do you recall a loan committee meeting concerning a ship by the name of the Trechon?

A Yes.

Q Do you recall what the purpose of this loan was to be?

A Yes, it was to refinance the Trechon. I think we were taking it out of another bank.

Q Was Mr. Spartalis and Mr. Metzger present at this loan committee meeting?

A Yes, they were.

Q At this loan committee meeting was there any discussion concerning the making of additional loans to Tidal Marine?

A Yes. The shipping committee felt that we had extended enough credit to Tidal and that no further credit

would be extended until they had substantially reduced their outstandings at this time.

Q To your knowledge, was this decision communicated to anyone?

A Yes. I communicated it to Mr. Amanatides and Mr. Naslas.

Q Prior to the submission of ship department loans to the loan committee, would there be any discussion of them between the members of a ship loan committee?

A Yes.

Q Excuse me, between the members of the ship loan committee?

A Yes. We would discuss the loans before we presented them to the committee.

Q Would a consensus be reached generally?

A Yes, before we would submit them.

Q Did you attend most loan committee meetings?

A Yes.

Q Did Mr. Metzger attend most loan committee meeting.

A Yes.

Q What about Mr. Spartalis?

A Yes, he attended them, too.

Q Were you generally familiar with Mr. Metzger's and Mr. Spartalis' customers?

gwh 5 Shevlin-direct

A I was familiar with them, yes.

Q Who was in charge of the Tidal Marine account?

A It was Mr. Spartalis' account. I did most of the fact finding and the leg work for him.

Q Who did you deal with from Tidal Marine in connection with the account?

A Primarily Mr. Amanatides and Mr. Naslas.

Q Do you recall the nature of your contact with Mr. Naslas?

A In connection with --

Q In connection with the Tidal Marine account.

A Yes. He would handle a lot of the transfers when Mr. Amanatides was away and he would be my first contact at Tidal.

Q What kind of matters did you have contact with him concerning?

A Transfers, loan documentation, proposals, short term loans.

Q Besides for you, do you know whether anyone else in the ship loan department dealt with Mr. Naslas and Mr. Amanatides?

A Yes, Mr. Spartalis and Mr. Metzger to some degree.

Q Again directing your attention to August

of 1971, do you recall a series of loans commencing at that time to a customer by the name of Mark Scufalos?

A Yes.

Q Do you know who was in charge of that account?

A Mr. Metzger.

Q In August do you recall the loan committee approving a loan on six dry cargo vessels?

A Yes, I do. They were chartered to Transoceanic, which was a company of Ion Livas.

Q Who was the borrower in connection with this loan?

A Mark Scufalos.

Q Do you recall the loan committee approving an additional loan to Mark Scufalos in October or November of 1971 on two ships by the names of the May and the June?

A Yes, they were also chartered to Transoceanic.

Q Are you familiar with the details of the loans, of these two Scufalos loans?

A Not to -- I knew who the charterers were. I was generally familiar with them, but I did not work on the accounts.

Q Who worked on them?

A Mr. Metzger.

Q Directing your attention to October and

November of 1971, did there come a time when the bank made a loan to a borrower by the name of Michael Panayotopulos?

A Yes.

Q Do you recall what the nature of that loan was?

A Yes. Tidal Marine was selling off three ships and Mr. Panayotopulos, who was introduced to the bank by Mr. Spartalis, wanted to get into the shipping business. He was to be the purchaser of those three ships, of three ships.

Q What lending officers were in charge of the Panayotopulos account?

A Mr. Spartalis was the officer of the account. Again I worked under him, doing the fact finding.

Q Subsequent to the approval of this loan to Panayotopulos for the purchase of three ships, did you have any discussions with anyone concerning additional financing for Michael Panayotopulos or Mark Scufalos?

A Yes. It was around November of 1971 that Mr. Spartalis called me to his office one day. He told me to close the door and told me that Mr. Amanatides was coming up to the office in a little while to discuss loan proposals to Mr. Panayotopulos and Mr. Scufalos, and there would be a financial arrangement where Mr. Metzger, myself and Mr. Spartalis would receive some money.

Q Then what happened?

A About half an hour later Mr. Amanatides came up. He was directed into Mr. Spartalis' office. The door was closed. Mr. Spartalis chatted with him for a couple of minutes and he said to me, "How much money" -- he made his proposal about the type of loans he wanted. There were two ships to be financed for Mr. Scufalos and two for Mr. Panayotopulos. He said --

Q What were the names of the two ships for Mr. Scufalos?

A Tropis and Tekton.

Q And the two ships for Mr. Panayotopulos?

A Aris and Tachys.

Q Then what was said?

A Mr. Spartalis turned to me and said, "What kind of percentage do you want for doing this"?

I threw my hands up in the air because I never had any experience with this type of thing beore.

MR. FLEMING: I move to strike that out.

THE COURT: Strike it out.

A (Continuing) They had chatted back and forth and they came up with a figure, that we would each be paid $70,000 cash if we could get these loans approved.

Q What happened after the completion of this

discussion?

A After Mr. Amanatides left he said he would have the paper work up to us in short order.

3 p.m.

Q Who said that?

A Mr. Amanatides.

Q Then what happened?

A He left the bank and then about half an hour later I went over to Mr. Metzger's office and I told him about it and we went back to Mr. Spartalis' office, closed the door again, and discussed the loans together.

Q Do you recall what you discussed?

A Well, primarily Mr. Metzger and myself were interested that the loans would be secured by good charters and the deals were good deals, would stand on their own feet.

Q Did there come a time thereafter when information concerning these loans was submitted to the bank?

A Yes, itwas very shortly thereafter.

Q Who submitted the information?

A It would be from Tidal's office again. Usually it was either Mr. Amanatides or Mr. Naslas who brought the paper work to us.

Q Did there come a time in late December when a loan closed on the first two of these ships, the Tropis and the Tekton?

A Yes, it was Christmas Eve, 1971.

Q Were you in the bank on that day?

A Yes, I was.

Q By the way, do you recall what the charterers on these ships were as represented to the bank?

A Yes, the Aries was -- there was a five year time charter to Wintershall. As I recall, the other three ships were five year time charters to British Petroleum.

Q The other three being the Tropis, the Aris and the Tachys?

A The other three being Tropis, Tekton and Tachys. The Aris was chartered to Wintershall.

Q Were you at the closing on the Tropis and the Tekton?

A The closing took place on the third floor of the bank. I did not participate in the closing. Mr. Metzger handled it.

Q Do you recall seeing any of the people who attended the closing?

A Yes. Mr. Amanatides was up there, Mr. Hanlon, Mr. Metzger, Mr. Spartalis, myself were on the floor.

Q Prior to the closing had you had any discussions with anyone concerning what was to happen that day?

A Yes. Mr. Spartalis told us that either that day or shortly before that day we would not be receiving all the money at one time but in increments.

Q What money is this?

gwlt 3 Shevlin-direct

A The $70,000 we had discussed with Mr. Amanatides that day in his office.

Q Was there any discussion as to when the first payment would be received?

A Yes. It was supposed to be received on Christmas Eve, 1971, the day of the closing.

Q What happened on the day of the closing, if anything?

A After the loan closed, I guess it was around 12:30 1 o'clock, Mr. AManatides came over to see and he said he wanted to see me down the hall.

We went down the hall passed the closing room. There was another hallway behind the closing room. It was right between the men's room and the ladies' room. He handed me a white envelope which contained $10,000 in $100 bills.

Q Did you have any discussion with Mr. Amanatides at that time?

A I said to him, "This is not a good place to do it."

I thanked him and I walked back to my office.

Q Did you see Mr. Metzger later that day?

A Yes. I did not see him receive money that day. I went into his office later on and I made like a joke, his jacket was leaning to one side, and I patted him on the pocket

and I said, you know, I could tell that he had an envelope in there, too.

Q Who did you go home with that day from the bank?

A I went home with Mr. Metzger. Before we went home I said, "Wouldn't it be a good idea if we rented a car to go home rather than carrying the money on the train?"

He disagreed and we carried the money on the train with Mr. Bob Jones and Joe Heine of the bank.

Q When did the closing on the third ship, the Aris, occur?

A It was late December. I would say it was four or five days later, 28th or 29th of December.

Q This was the ship that was represented to be on a five-year charter to Wintershall?

A Yes.

Q Was any additional money received subsequent to this closing?

A Yes. It was within probably a week later one of us in the department got a call. It would either be Mr. Metzger or myself. I don't recall exactly.

We went up to Tidal's offices at 5 o'clock that afternoon after work. We walked down to the end of a hall. Once we walked into Tidal, we walked down to the back of the hall and made a left turn to the -- went down to the far end

SOUTHERN DISTRICT COURT REPORTERS U.S. COURTHOUSE

and were directed into Mr. Amanatides' office which was overlooking the water -- I guess it is the East River -- and Mr. Amanatides chatted with us for a couple of minutes, left the room, came back, walked over to his desk and took out two white envelopes and handed one to Mr. Metzger and one to myself.

Q What was in your envelope?

A $10,000, basically in $100 bills.

Q Then what did you do?

A Mr. Metzger and I left and went home on the Long Island Railroad.

Q Do you recall any discussions with Mr. Metzger on the trip home?

A Yes. We often discussed, you know, the Tidal-Scufalos situation, the money.

Q Did there come a time when you received an additional payment?

A Yes, the third payment occurred some time in late January. I had taken a trip in February to Barbados. I know I had received three payments before I had left.

I walked into Mr. Spartalis' office one day and he said to me, "Have you and Joe received any further payments?"

I said, "No."

He said, "I'll have to do something about that."

So he called somebody up at Tidal's office. I don't recall if I was present when he made the call. About half an hour later I received a call from Mr. Naslas saying, "I know we owe you and Joe another payment of $20,000, but the only place I have the money is in one of our accounts. Is it possible for you to get it out of there?"

I said, "I'd need some sort of authorization to get it out, and I first have to check to see" -- I think it was around 3 o'clock. It was late in the day. I called the bank floor and spoke to Clare Schad and asked her if it was possible to get $20,000 in cash to meet a Tidal payroll on one of its ships.

Q Do you recall the name of the ship?

A I believe it was the -- I think it was the Aquari

Q Was that the reason for the withdrawal?

A No, it was to give -- the $20,000 was for Mr. Metzger and I, 10,000 apiece.

Q What happened after your conversation with Clare Schad?

A I called back Mr. Naslas and I told him it would be okay.

He said he would send somebody over.

I said you would have to have some sort of letter of authorization or something else so that you could withdraw

the funds.

So he sent somebody down to the bank floor with a check and they came up to me because they would not cash it down there without my initials on it.

I initialed it and he went back downstairs, checked the money, and at 5 o'clock Mr. Metzger and I went over to Tidal's office.

Q What was the amount of the check?

A The check was for $20,000.

THE COURT: Would this be a convenient point to suspend shortly or do you want to finish another question or two?

MR. GLEKEL: This is a reasonable point for a recess.

THE COURT: All right.

Ladies and gentlemen, we will take a short recess The clerk and the Judge both are required in another courtroom for a few minutes, so it may be ten or fifteen minutes before we come back.

(Recess.)

(In open court - jury present.)

BY MR. GLEKEL:

Q Mr. Shevlin, what was your arrangement with Mr. Naslas for withdrawing the $20,000?

A I told Mr. Naslas it could be obtained. I told him he had to send over an authorization. I believe he said a check he would send over and have it cashed.

Q Then what happened?

A As I recall, a man came over. I did not know at this time. He went down to the bank floor and was directed up to me for me to authorize the check for cashing.

Q Mr. Shevlin, let me show you a check contained as part of Government's Exhibit 17G in evidence, dated January 28, 1972 made out to "Cash" in the amount of $20,000 and drawn on the account of Eldorado Investments, Inc., c/o Harry Amanatides, and bearing the signature of Costas Naslas.

Let me direct your attention to initials that appear in the upper lefthand portion of this check and ask you whether you recognize them.

A Those are my initials.

Q What is the word before those initials?

A "Okay, J.J.S."

Q Is the "okay" in your handwriting?

A Yes, it is.

Q What does "Okay, J.J.S." indicate?

A It means that the bank floor could cash the check for Tidal Marine.

Q Directing your attention to the left part of the

check, there is an entry there. Would you please read it? It refers to the Aquario.

A It says, "M.T. Aquario, cash to master, 1/28/72." I can't read the date. 1/28/72.

Q Is that entry in your handwriting?

A No.

Q Was that the purpose of this withdrawal?

A No. The purpose was to pay Mr. Metzger 10,000, pay myself $10,000.

Q By the way, what does "Cash to master" mean?

A It is a -- it is a payment made to the Captain of the ship for crew's wages, provisions, things the ship needs.

Q What happened after the individual came over and picked up the money?

A At 5 o'clock that day, following work, Mr. Metzger and myself went up to Tidal Marine's offices. This time we were directed down to the opposite end of the hall. We walked in the building, went straight ahead and then turned right down to the opposite end of the hall. Mr. Naslas' office was down at the end of that building, directed into Mr. Naslas' office.

He chatted with us for a couple of minutes, left the office, as I recall, came back and I believe he

opened up his -- I think he opened his desk up and handed us each a white vanilla, mine contained hundreds and fifties.

Q White vanilla envelope?

A White envelope. Mine contained hundreds and fifties.

He also handed me a yellow envelope which was a little larger, which contained pictures from Tidal Marine's Christmas party at the St. Regis Hotel in December of '71.

Q What kind of Christmas party was that?

A It was a Christmas party that Tidal held every year for bankers, insurance brokers, people who were involved with them.

Q Was the money and the photographs in separate envelopes?

A Yes, they were.

p.m. hplt 1 Shevlin-direct

Q Let me show you Exhibits 168 through 179 in evidence, and ask you whether you recognize these pictures.

A Yes, these are the pictures.

Q What pictures are they?

A Of the Christmas party that was held at the St. Regis Hotel that year. I can tell. My own photograph is here.

Q Are these the pictures Mr. Naslas gave you?

A Yes.

Q How do you recognize them?

A I'm in some of the pictures. The lady I had as a date that night was in the picture and there are other people, Mr. Amanatides is here, and I see some people from the bank that were present at the party.

Q Did a time come when you furnished these pictures to the U.S. Attorney's office?

A Yes.

Q Let me show you Government's Exhibit 180 in evidence and ask you whether you can identify that.

A Yes. This is the envelope that the pictures were contained in, the one that Mr. Naslas handed to me that day.

Q Did you previously produce that to the U.S. Attorney's office?

hplt Shevlin-direct

A Yes, I did.

Q Now, directing your attention to the white envelopes you and Mr. Metzger received that day, what was contained in those envelopes?

A Mine was $10,000 in fifties and hundreds.

Q Do you know what Mr. Metzger's contained?

A Yes. I didn't see inside his envelope, but we had discussed it on the train home. His contained the same thing.

Q Do you recall any other discussions with Mr. Metzger after you left Mr. Naslas' office?

A Yes. I opened my envelope with the pictures and he looked at them, and we often discussed Tidal and the money on the way home on the train.

Q What denominations was the money contained in?

A Hundred dollar bills and fifty dollar bills.

Q Subsequent to this payment, did a time come when the loan on the Tachys closed?

A Yes. I think that was in early February 1972.

Q And what was the charter on this vessel as represented to the bank?

A On the Tachys it was a five year to British Petroleum.

Q Subsequent to the Tachys closing, did you receive

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE

an additional payment?

A Yes. It was some time in late February.

Q What do you recall concerning that payment?

A This one is a little hazier than the others. I recall receiving it. Mr. Metzger and I went up to Tidal's offices at the end of the day. I don't remember who called, whether somebody called Mr. Metzger or somebody called myself and I recall receiving the payment in the lobby that day from Mr. Naslas rather than his office.

I think we went up to theoffice first, they had a lot of accountants or other people that day, and we all went downstairs to the lobby.

We received the payment in the lobby, that I do recall, from Mr. Naslas.

Q How did you receive this payment?

A In a white envelope, once again, and it contained $10,000.

Q Again, do you recall the denomination?

A They were always in hundreds and/or fifties.

Q Were there any additional payments?

A Yes. There was a fifth payment some time in March; I believe late March because there was a delay between the fourth and fifth. This time Mr. Metzger came over to my office one day in March and told me Mr. Amanatides wanted to

see us down on Wall Street. It was the same building where Peter Flemming used to work for Burke & Parsons, his old law firm and we met Mr. Amanatides in the lobby.

He apologized for the delay between the fourth and fifth payments and apologized for the fact that this payment was only $5,000 and there were four $500 bills and six $500 American Express Travelers Checks and he said he was in a rush, he had to go to London and that if we weren't happy with the size of the bills, he would be happy to cash them in for us when he returned.

Q Thereafter, did you have any discussions with Mr. Metzger concerning this payment?

A Yes. Sometime later on he told me that he destroyed the Travelers Checks and the $500 bills.

Q What did you do with your Travelers Checks?

A I kept them and I turned them over to the government.

Q Let me show you Government's Exhibit 187 in evidence and ask you to take a look at it and see if you recognize it.

A These are the Travelers Checks which I turned over to the government. I initialed them on the back the day I turned them over to you.

Q Are these the Travelers Checks you received from

Mr. Amanatides?

A Yes, they are.

Q Mr. Shevlin, directing your attention to the closing on the Aris, were you present at it?

A Yes, I was.

Q Who else was present at that time?

A Mr. Naslas, Mr. Hanlon. It closed at Cole & Dietz' offices at 40 Wall Street.

Mr. Teiman of Cole & Dietz, Mr. Katritsis, Mr. Panayotopulos.

Q Do you remember any discussions with Mr. Naslas?

A Yes, somewhere along the line at the time he came to sign the documentation, I noticed Mr. Katritsis was asigning on a loan that was supposedly to one of the corporations of Mr. Panayotopulos and I couldn't understand it.

So I brought it to his attention and Mr. Hanlon--

Q Who do you mean by "his" attention?

A I spoke to everybody there about the fact that Mr. Katritsis, who was a relative of Mr. Amanatides, was signing a loan which was going to one of Mr. Panayotopulos' corporations, and nobody said anything of too much significance, so I called up Mr. Spartalis and he said it was okay to go ahead.

Q Directing your attention to the closing on the Tachys, were you present at that closing?

A Yes, I was.

Q Who was present?

A This took place at Tidal Marine's offices. Mr. Naslas was present, Mr. Hanlon, Mr. Pat Martin, myself, Mr. Panayotopulos, and I believe Mr. Flemming, Peter Flemming. He was representing Mr. Panayotopulos on this occasion.

Q Do you remember any discussions with Mr. Naslas at that closing?

A Toward the end of the closing I handed him a letter that he was to sign in connection with the charter tha he was verifying that the charter was a valid, good charter to BP on this particular ship and if anything was to happen to that charter, Tidal Marine would back it up and pay the freight.

Q What did Mr. Naslas do?

A He signed it.

Q Let me show you Government's Exhibit 252 in evidence and ask you whether that is the letter which you gave Mr. Naslas to sign.

A That is the letter.

MR. GLEKEL: Your Honor, I would like to read a portion of this letter to the jury.

THE COURT: All right.

(Mr. Glekel read to the jury from Government's Exhibit 252 in evidence.)

Q Mr. Shevlin, do you recall the Loan Committee approving a loan on a vessel by the name of the Aquario for $1,500,000?

A Yes, I do.

Q Did you have any participation in the making of that loan?

A Yes. Again, I did the fact finding and brought it to the committee for approval.

Q Who did you deal with in connection with the loan?

A As I recall, that was primarily Mr. Naslas, because at this time period Mr. Amanatides was away quite frequently in London.

Q Were you at the closing?

A Yes, I was.

Q Who else was present at the closing?

A As I recall, Mr. Hanlon, Mr. Naslas, myself and bank counsel.

Q Following the fifth payment that you described, do you recall any additional discussions concerning payoffs or payments?

A Yes. Some time I would say in the March, April--maybe it was April, May area, Mr. Spartalis called Mr. Metzger and myself in his office and informed us Mr. Naslas was buying a ship on his own. We understood he was leaving Tidal in the future, and he wanted us to finance it to us.

Mr. Spartalis told us there were financial arrangements of this one, Mr. Metzger would get 10, I would get 10 and Mr. Spartalis would get 30.

Q What was the name of that ship?

A The Anasstasis.

Q Do you recall any additional discussions concerning payments?

A Shortly thereafter, I believe before this was presented to the Committee, Mr. Spartalis called Mr. Metzger and myself to the office and said Mr. Amanatides had another prsentation to make on the Tagma and if we did the Anasstasis and Tagma together again there would be a total of $70,000 for each of us.

Q Did there come a time when the loan proposals on the Anasstasis and Tagma were submitted to the Loan Committee?

A Yes.

Q Were they approved?

A Yes, they were.

Q Were the actions of Mr. Spartalis, Mr. Metzger and yourself concerning the Anasstasis affected by the offer of additional payments for approving the loan?

A Yes. I think the loan was $50,000 higher than it normally would have been on the basis of the value of the collateral.

Q And that was as a resultof the offer of additiona money?

A Yes.

Q As to the Anasstasis deal and the Tagma, did you receive any money in connection with these two transactions?

A No.

Q Did you ever have any discussion with Mr. Metzger on the subject of what he did with his money?

A Yes. He bought a safe sometime in April, May '72.

Q Is that what he told you?

A Yes, and he invited me over his house, I saw it one day. It was a Garry safe and I bought one for myself from a different company.

Q Did he tell you how he paid for the safe?

A To my great surprise, he told me he paid part of it by check.

Q What kind of safe did you purchase?

A The same kind that was made by Garry, but I paid cash for it.

Q Do you recall the amount you paid for your safe?

A It was approximately $500, 300 less than what he paid for it.

Q Mr. Metzger paid approximately $800?

A 8 or 9 hundred, something like that.

Q Where did you put yours, your safe?

A In the basement of my mother's house.

Q Let me show you Government's Exhibits 163 and 164 in evidence, and ask you whether you recognize these two photographs.

A Yes, these are pictures of the safe that I just told you about.

Q Your safe?

A Yes.

Q Where was the safe located at the time these pictures were taken?

A In the basement of my mother's house.

MR. GLEKEL: May I show these photographs to the jury, your Honor?

THE COURT: Yes.

(Photographs handed to the jury.)

Q Mr. Shevlin, what did you use your safe for?

A To keep the money in.

Q Subsequent to the making of the Tachys loan in February of 1972, do you recall participating in any discussions concerning the charter on that ship?

A Yes. Shortly after the closing, Pat Martin of Pauls & Tublin who was representing the bank, sent out a letter to British Petroleum asking them to acknowledge the time charter was in existence, with a valid charter.

Q What was the length of the charter as represented to the bank?

A Five years.

Q What happened after this letter was sent?

A It was about five or six weeks later, British Petroleum responded and advised us they didn't have this ship or charter. I think, as I recall, it was chartered at one time to BP, but no longer on the charter to them.

Q What was done upon the receipt of this letter?

A I immediately called up Mr. Panayotopulos and advised him and called Mr. Naslas and advised him.

Q What did you advise Mr. Naslas?

A That we had just received a letter from British Petroleum that there was no charter on that ship with British Petroleum at the present time.

Q Was the Loan Committee ever informed that there

was no Tachys charter?

A No, they were not.

Q During early 1972, who did you deal with at Tidal Marine?

A Primarily, during that period with every day business, Mr. Naslas and Mr. Amanatides appeared to be out of town a lot during that period of time.

Q Directing your attention to late 1971 and early 1972, what was the state of the shipping market at that time.

A Depressed.

Q Do you recall whether Tidal Marine's ships were operating properly?

A No.

From the winter of '71 and the spring of '72, many of their ships were being laid up because of mechanical difficulties.

Q What was Tidal Marine's working capital position or cash situation at this time, if you recall?

A Very tight.

Q As 1972 continued, what was the cash situation?

A It became increasingly worse.

Q During this period, that is, early 1972, did Mr. Metzger, Mr. Spartalis and yourself make a series of short term loans to Tidal Marine and affiliates?

A There were a number of them made.

Q Do you know what the purpose for the loans were?

A The reason was, for working capital.

Q Do you know the details?

A There were many short term loans. I can't remember every single loan.

Q Who requested the short term loan?

A Mr. Amanatides, Mr. Naslas on many occasions, particularly in 1972.

Q Do you recall any discussions with Mr. Naslas concerning short term loans?

A Yes. I remember two particular cases very closely I remember Mr. Naslas coming to my desk one day, I had turned him down a couple of times during that day and he was back for the third time and there were tears in his eyes that they needed the money, would I please do it.

I had talked to Mr. Spartalis and he had said "No," and I told him no again.

Finally, I went into Mr. Spartalis again and Mr. Spartalis agreed to the loan and I told him it was okay.

Another occasion in the same time frame he was in Mr. Spartalis' office with me and he almost broke down. He started to break down because he wanted this short term loan. I couldn't tell you which one it was. There were quite a few

in that period of time.

Q Directing your attention to April and May of 1972 did you participate in any conversations with officers or employees of Tidal Marine concerning Tidal Marine's problems?

A Yes. In April 1972, Mr. Spartalis advised Mr. Metzger and myself that Mr. Amanatides wanted to have lunch with us at Delmonico's Restaurant. As I recall -- we ate at Delmonico's usually or the Coachman. This was the first time I had met Mr. Ion Livas of Tidal Marine.

At that particular luncheon, Mr. Naslas was present, Mr. Amanatides, Mr. Livas, myself, Mr. Spartalis, and Mr. Metzger.

Q Do you recall any discussions at this luncheon?

A Yes.

Mr. Livas was thanking us for the help we had given them. He was talking about Tidal Marine going on to being a great company and that they might require some help from us working capital-wise, during the year, but the company was going in the right direction.

Q Were there any subsequent luncheons with Tidal Marine officers after that one?

A Yes, about a month later, again, Mr. Spartalis asked Mr. Metzger and myself to join him at lunch and Mr. Amanatides was present, Mr. Naslas, myself, Mr. Metzger and

Mr. Spartalis and Mr. Amanatides advised us at that meeting that Tidal was in trouble, they were going to need working capital help.

They asked us to suspend cash collateral payments and release the payments we had already taken, that they promised to make the quarterly installments if we did this.

Mr. Amanatides also told Mr. Metzger, "Don't think Mark Scufalos is in any great shape. If something happens to Tidal, Mr. Scufalos will also go down the drain."

As I recall, Mr. Spartalis brought it to Mr. Amanatides' and Mr. Naslas' attention, that payments to us were not up to date and there was also a discussion where Mr. Spartalis got angry with me saying the problems with Tidal were my fault and I recall as the meeting ended, I walked out with Mr. Amanatides and told him "Don't worry about any payments to me, I am not in a rush or concerned about them at all."

Q Was a moritorium on payments, which had been requested, agreed to?

A Yes.

Q Was the Shipping Department Loan Committee informed of this moritorium?

A No, it was not.

Q Subsequent to this luncheon meeting, were monthly payments or repayments on outstanding loans in fact not made?

A Yes, there were a number of them that were not paid.

Q Did a time come when quarterly payments were not paid as well?

A Yes.

Q Did this moritorium involve the Scufalos ships as well as Tidal Marine ships?

A Yes, it did.

Q Mr. Shevlin, have you pled guilty to criminal charges relating to your participation in improperly making loans to Tidal Marine and relating to your acceptance of money for making loans?

A Yes, I have.

Q Do you remember the general nature of these charges which you have pled guilty?

A I pleaded guilty to two counts, one of taking a $10,000 commission for helping to get these loans approved and making a false statement.

Q Have any representations been made to you in connection with the guilty pleas?

A No. I have been told if I testify truthfully

these two counts will be in complete satisfaction for my involvement in Tidal Marine.

Q Are you presently awaiting sentence on the two crimes for which you have pled guilty?

A Yes, I am.

Q Who is going to sentence you?

A Judge Pollack.

Q Have any representations been made to you in connection with your sentence?

A No. I've been told that if I testify truthfully it will be brought to the attention of Judge Pollack for his consideration.

MR. GLEKEL: Your Honor, no further questions.

CROSS EXAMINATION

BY MR. FLEMING:

Q Do you remember when you pleaded guilty before Judge Pollack?

A Yes, I do.

Q Did you tell Judge Pollack that sq long as you testified truthfully, the government would not prosecute the other counts? Did you tell the Judge that?

A I don't understand the question.

T5B

Q Did you tell Judge Pollack when you pleaded guilty that the government had promised so long as you testified truthfully, you would not be prosecuted on any other charges?

A Other than the ones I pleaded guilty to?

Q Yes.

A Yes.

Q You told Judge Pollack that?

A I don't think I told Judge Pollack. I just pleaded guilty to those two counts.

Q Do you remember Judge Pollack asking you on November 14, 1975: "Have any threats or promises been made to you to induce you to plead guilty to count 34?

Do you remember being asked that question?

A No, I don't, sir.

Q You don't remember being asked that question?

A I don't know what count 34 is.

Q Did you plead guilty to count 34 of an indictment?

A If you could tell me what count 34 says, maybe I can tell you.

Q I show you count 34 of an indictment which names you as a defendant and I want to ask you if you pleaded guilty to that count, that charge, on November 14, 1975, before Judge Pollack.

hph 2 Shevlin-cross

A Yes, I did.

Q Did Judge Pollack ask you on that day: "Have any threats or promises been made to you to induce you to plead guilty to count 34?"

A Yes, he did.

Q What was your answer?

A No, no promises have been made to me.

Q Your answer was no promises have been made, is that correct?

A Right.

Q Now you are testifying promises in fact were made?

A No promises were made to me that I'm aware of.

Q Have you just testified that you would not be prosecuted on any other charges if you testified truthfully?

A Yes.

Q And did the government make that promise to you?

A If you're saying just pleading --

Q Did the government make that promise to you?

A That I wouldn't be prosecuted for anything above the two counts, if that's what you mean, yes.

Q Did you just testify five minutes ago --

THE COURT: He just answered your question, yes.

hph 3 Shevlin-cross

The last part of the answer was yes.

Q Mr. Gordan was the Assistant U.S. Attorney, is that right?

A Yes.

Q Mr. Gordan said to Judge Pollack: "Your Honor, if I may, I think perhaps Mr. Shevlin mistakes what a threat or promise is. There is an understanding with respect to his plea to count 34 and with respect to his plea of the information that has been filed. That his plea to those counts satisfy the charges arising out of his involvement with Tidal Marine and his principals during the course of his employment at National Bank of North America. We do have that definite understanding. We also have an understanding that the nature and extent of his cooperation with the government would be brought to your Honor's attention at the time of sentence. There is no other understanding than those two, but there are those."

Do you recall Mr. Gordan saying that?

A Yes, I believe he said that.

Q Who promised you that you would not be prosecuted "if you testify truthfully"?

A I was told by the government that I testified truthfully, as I said before --

hph 4 Shevlin-cross

Q When were you told that?

A By Mr. Gordan.

Q When?

A In front of my counsel.

Q When?

A Some time after I was indicted and had agreed to cooperate with the government by testifying truthfully.

Q When did Mr. Gordan tell you that in your counsel's presence?

A I cannot recall the specific date or the specific minute. It took place some time after I was indicted, probably within a month after I was indicted.

Q Indicted for what?

A All the counts that are presented in this indictment. I do not recall every single one of them.

Q Including the charges having to do with the receipt of bribe moneys?

A Yes.

Q So that it was one month after you were charged with receiving bribe moneys that Mr. Gordan told you that you would not be prosecuted on other charges if you testified truthfully?

A Correct.

Q Mr. Gordan did not say that to Judge Pollack, did

hph 5 Shevlin-cross

he?

A You have what Mr. --

MR. GLEKEL: Objection, your Honor.

THE COURT: I think you want to rephrase that, don't you, Mr. Fleming?

Q In the statement to Judge Pollack in your presence, did Mr. Gordan at any time say that the government--

MR. GLEKEL: Objection, your Honor.

THE COURT: Let him finish the question.

Q Did Mr. Gordan at any time say in your presence before Judge Pollack that the promise of the government would be that you would not be prosecuted if you testified truthfully?

MR. GLEKEL: Objection.

THE COURT: I am going to allow this and I will instruct the jury appropriately as to what this area requires as long as there is any controversy about it.

A What is your question?

THE COURT: Read the question to the witness, please.

(Question read)

A I would not be prosecuted on anything other than the two counts I had pleaded guilty to, yes, that's

correct.

Q Did Mr. Gordan in any spot use the words "If you testify truthfully"?

A This is my understanding what I pleaded guilty to.

Q Did Mr. Gordan any place in that transcript use the words that you would not be prosecuted "If you testified truthfully"?

A No.

Q How many times have you spoken with Mr. Glekel between the day you pleaded guilty and today?

A I would say somewhere between 12 to 15 times.

Q Was Mr. Marmaro present during some of those discussions?

A Some of them, but very briefly.

Q Was Mr. Gordan present during some of those discussions?

A Some of them.

Q And did you talk about the testimony you would give?

A They asked me questions in connection with the situation.

Q They told you what questions they would ask?

A We went over certain questions and things like that. They did not tell me every single question they

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE

would ask.

Q Did they tell you that they would ask the question that if you testified truthfully you would not be prosecuted?

A That I would not be prosecuted? No, I've already been told I would be prosecuted for those two counts.

Q Did Mr. Glekel on those 12 to 15 occasions, did he tell you that when you testified, he would ask you whether you had been promised that you would not be prosecuted on other counts if you testified truthfully?

A Yes, that's true.

Q He prepared you for that question?

A Yes.

Q The Aris closing, Mr. Panayotopulos was the purchaser of that ship?

A One of his corporations was.

Q What is the name of the corporation?

A Spartan Pride, I believe.

Q Did Mr. Katritsis sign as an officer of that corporation?

A Yes, he did.

Q Mr. Katritsis, to your knowledge, was associated with Tidal?

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y. 10007

hph 8 Shev[illegible]-cross

A He was a relative of Mr. Amanatides.

Q Did Mr. Joseph Peter Flemming represent Mr. Panayotopulos at that closing?

A Yes, he did.

Q You testified that Mr. Naslas was there?

A Yes, sir.

Q Mr. Hanlon was there?

A Yes.

Q Mr. Teiman of C[illegible] & Deitz was there?

A Correct.

Q Mr. Teiman was representing the bank?

A Yes, he was.

Q Did you say Mr. Katritsi[illegible], Mr. Panayotopulos and yourself were there?

A Yes.

Q And Mr. Flemming was there?

A The Peter Flemming that represented the bank, yes.

Q Who represented the bank on other occasions?

A Your name is Mr. Fleming too. I'm trying--

Q I never represented the bank. Had J. Peter Flemming represented the bank on occasions?

A Yes.

Q He acted as attorney for the bank on loans?

A Yes.

hph 9 Shevlin-cross

Q And on this occasion was acting as attorney for Panayotopulos?

A Yes.

Q Did you testify that you challenged why Paul Katritsis was signing as an officer of Spartan Pride?

A Yes, I questioned.

Q What did Mr. Teiman, the lawyer for the bank, what did he say?

A I don't recall. I know I called Mr. Spartalis about it.

Q I am not asking you that.

A I don't recall what he said.

Q Did he say anything?

A He may have. I don't recall. It's a long time ago.

Q What is a long time ago?

A When this closing took place. I can't remember every single conversation.

Q You remember, I take it, that on the day you say Costas Naslas first gave you cash, you remember that he said to you on the telephone "I know that we owe you and Joe $10,000 apiece", do you remember that?

A He said $20,000.

Q Do you remember that on that day Mr. Naslas

hph 10 Shevlin-cross

said to you over the telephone: "I know that we owe you and Joe $20,000", is that right?

A Yes.

Q You remember that?

A I do.

Q Did you testify about exactly the same conversation just about a month and a half ago in this courtroom?

A Yes, I did.

Q Do you remember that statement at that time?

A I don't recall exactly the total conversation I mentioned last time but I should have mentioned it. I believe I did mention it.

Q You believe you did, is that right?

A I believe I must have mentioned it, yes.

Q Did you mention it or not according to your best recollection?

A I think I did.

Q Mr. Naslas was not a defendant in that other trial, was he?

A No.

Q Neither was Mr. Hanlon nor Mr. Katritsis, is that right?

A Right.

hph 11 Shevlin-cross

Q The trial was --

MR. GLEKEL: Objection, your Honor.

THE COURT: I am going to permit him to open the door, if he wishes to.

Q You testified about this transaction on a day in the beginning of April of this year, is that correct?

A Correct.

Q And you were asked by Mr. Glekel: "Did there come a time when you received an additional payment?"

Do you recall being asked that question?

A Are you referring to the third payment?

Q Yes.

A Correct.

Q "The third payment I recall happened some time in January, too, probably from the middle part to the end of it. Mr. Spartalis said to me one day 'Have you got any further payments' and I said 'No' and he said 'I will have to do something about that.' He called up Mr. Naslas at Tidal's office. A little later that afternoon, Mr. Naslas called me and told me he didn't have the cash in his offices, tht he would have to get it out of his account. I said, you know, let's not talk figures over the phone. He said o me 'You could say that we have a ship coming in that to pay a payroll.'"

hph 12 Shevlin-cross

Did you give that answer to that question at that time?

A I guess I did if that's what there.

Q Did you say anything at that time, beginning of April of this year about Mr. Naslas saying to you in that conversation: "I know we owe and Joe $20,000"?

A He had already mentioned it in that conversation.

MR. FLEMING: Your Honor, I would ask to strike that.

THE COURT: Denied.

MR. GLEKEL: Will you pass up a note, please.

Q You show me, Mr. Shevlin, where you testified that Mr. Naslas said to you "I know we owe you and Joe $20,000."

THE COURT: In that answer.

A Well, I don't see the amount mentioned here.

Q Do you see that statement mentioned there?

A Which statement are you referring to, Mr. Fleming?

Q "I know we owe you and Joe $20,000."

A I don't recall it here.

Q Do you see it there?

A No.

Q Did you say it there?

A I guess I did not. It's not here.

hph 13 Shevlin-cross

Q The Aris closing, when you questioned why Mr. Katritsis was signing for Spartan Pride, did Mr. Fleming tell you Mr. Panayotopulos appointed Mr. Katritsis to sign?

A I have no recollection.

Q Did you testify that you called Spartalis?

A I did call Mr. Spartalis.

Q If the attorney for the borrower told you it was okay for Katritsis to sign on behalf of the Spartan Pride, why would you call Spartalis?

MR. GLEKEL: Objection.

THE COURT: This is cross-examination. He may probe.

A I questioned it because as far as I knew, Mr. Katritsis has no connection with Mr. Panayotopulos and also was a relative of Mr. Amanatides who was present and selling the ship to Mr. Panayotopulos.

Q Hasn't you just agreed to take $70,000 to clear this loan among others?

A Yes.

Q Is it your testimony that when the attorney for the borrowing party, in this case Mr. Panayotopulos, approved the transaction, you nonetheless checked with Mr. Spartalis?

A Yes, I did.

Q That is your testimony?

A Yes.

Q And that is your usual practice?

A I don't understand what you mean by usual practice.

Q Is it your usual practice to check with Mr. Spartalis even though the attorney for the borrowing party has no problem with the papers?

A Mr. Spartalis was the head of the department, it looked funny to me and I wanted to get a higher authority to approve it than myself.

Q The Tachys closing, that was again a sale to Panayotopulos?

A Yes, sir.

Q I show you Government's Exhibit 252.

A What would you like to ask me?

Q Did you testify on direct examination that at the closing of the Tachys that you personally handed that to Mr. Naslas for signature?

A It would either be myself or bank counsel.

MR. FLEMING: May I have a response to the question, please?

THE COURT: He wants to know whether you today on your direct examination stated that it was you who handed the document.

THE WITNESS: I believe I recall saying that.

Q Was that the truth?

A I believe it was.

Q Is that your best recollection?

A To my best recollection.

Q Isn't it a fact that the bank's attorney, Mr. Martin, handed it to Mr. Hanlon who handed it to Mr. Naslas?

A To the best of my recollection it's the way I said it, but it's possible it's the other way it happened.

Q Mr. Shevlin, will you tell me when Mr. Naslas came to you with tears in his eyes asking for a short term loan?

A As I said earlier, I cannot relate it to the actual loan. There were two occasions when I saw tears in Mr. Naslas' eyes. One at my desk and one time in Mr. Spartalis' office when he was requesting --

Q I am not asking about the first time. Can you tell me when Mr. Naslas was at your desk with tears in his eyes?

A Some time in early 1972.

Q What month?

A January, February, March.

Q Was this before or after he supposedly had paid you $10,000 in cash in his office?

A I would say after.

hph 16 Shevlin-cross

Q Was it before or after he supposedly had paid you an additional $10,000 in the lobby of the building?

A Those things all happened in the same time frame. Possibly after. It was in January, February, March area of 1972.

Q What is your best recollection as to when Mr. Naslas in relation to these supposed payoffs stopped at your desk with tears in his eyes?

A He sat at my desk with tears in his eyes.

Q All right, sat at your desk with tears in his eyes. Before or after the payments?

A Just looking back at that distance, you're talking four years ago. It's very difficult, but it probably happened after. But, it's difficult to put it in perspective in terms of time. It happened in that period of time.

Q You do recall, am I correct, that on this second occasion when you supposedly received money from Mr. Naslas--

A The fourth payment you're referring to?

Q The second payment that you say you received from Mr. Naslas --

A That would be the fourth payment.

Q The fourth payment, you received that in the lobby of 80 Pine Street, did you testify?

A Yes, sir.

hph 17 Shevlin-cross

Q And did you testify that first you had gone up to Mr. Naslas' office but it was crowded with accountants?

A I recall it happened. This was the most hazy of the four payments.

Q Did you testify --

A I did testify to that, yes.

Q When you testified in April about the very same transaction, did you make any mention of going up to Mr. Naslas' office on that occasion?

MR. GLEKEL: Objection, your Honor, as to foundation

THE COURT: I think that's correct, Mr. Fleming. I don't recall any foundation to that.

Q Were you asked at the last trial, at the other trial, about this supposed payment by Mr. Naslas to you of $10,000 in the lobby of 80 Pine Street?

A I was asked about the fourth payment.

Q All right.

Is the fourth payment the one you say was made by Mr. Naslas in the lobby at 80 Pine Street?

A It was received in the lobby at 80 Pine Street.

Q You say it was received from Mr. Naslas?

A Yes, sir.

Q When you were asked about that payment at the other trial, did you say anything about having first gone upstairs to Mr. Naslas' office which was too crowded with accountants?

A I don't recall, but, as I said today, this was the haziest of the four.

MR. FLEMING: May I have an answer, your Honor?

A (Continuing) I don't recall if I mentioned it last time, Mr. Fleming.

Q Do you recall being asked this question and giving this answer with regard to the so-called fourth payment at page 911:

"Q Did you receive a subsequent payment thereafter?

"A Yes, there was a delay between the third and

fourth payment. I would say the fourth payment came some time in early March. Mr. Metzger and I again went over to Tidal's offices, and I think on this occasion Mr. Naslas met us in the lobby and again handed two envelopes to us, each a white manila envelope. Mine contained 10,000 mainly in hundreds and fifties, I believe."

Do you recall giving that testimony at the last trial?

A If you have it on paper, I must have given it, yes.

Q Do you have a recollection of what you said?

A Yes. I'm aware of where I got the payment.

Q I am asking if you have a recollection of what you said at the last trial?

A Just what you said here, yes, I have some recollection of it.

Q Did you mention anything about accountants?

A I did not at that time.

Q You also called it a white manila envelope; did you not?

A White envelope.

Q Did you describe it as a white manila envelope?

A I recall a white envelope.

Q Mr. Shevlin, did you describe the envelope as a

qwh 3 Shevlin -cross

white manila envelope?

A I guess I did if you have it there, yes.

Q Do you recall if you described it as a white --

A I think I remember somebody bringing it o my attention and saying white manila envelope. I meant white envelope.

Q What you said later, you meant vanilla, didn't you?

A I meant white.

Q Did you not later testify you didn't mean white manila, you meant white vanilla?

A It was a white legal sized envelope. What do you want me to say?

MR. FLEMING: Your Honor, may I have a responsive answer?

THE COURT: I don't understand what you are asking about. If you want to know whether he testified that way later, the proper form in order to put it to the witness is to ask him whether he was asked this question and did he give this answer.

Was your last question a v-a-n-i-l-l-a envelope or a m-a-n-i-l-a envelope?

MR. FLEMING: My question was, your Honor --

THE COURT: Just answer that, please. You are having trouble with the witness. I want to know whether you

know whether you used a v or an m?

MR. FLEMING: I used a v.

THE COURT: A v. Mr. Fleming is talking of a white vanilla envelope. He wants to know, did you call it a white vanilla envelope or did you call it a vanilla envelope at a later time?

THE WITNESS: I recall calling it originally a white manila envelope. I was a little nervous. I was mixing the words up. It was white in color.

THE COURT: You recall using the word vanilla?

THE WITNESS: I may have, Judge Pollack.

THE COURT: Does vanilla mean white to you?

THE WITNESS: Yes.

MR. FLEMING: It means white to me, too.

Q Mr. Shevlin, did you not in fact receive over $100,000 total from Harry Amanatides for services provided to Tidal Marine International?

A No, sir, I did not.

Q Was this $70,000 offer by Amanatides the first time you had ever been offered money? Yes or no.

A For --

MR. FLEMING: May I have a yes or no, your Honor?

THE COURT: Yes. Just tell him whether this is the first time whether somebody offered you money.

A This question is difficult to answer yes or no. I received money on one other occasion, but I did not ask for it. It just appeared in an envelope to me, if that's what you want to know.

Q Let me ask you again: Was this 70,000 offer the first offer that was ever made to you?

A For doing something, yes.

Q All right.

You say on a prior occasion you received an envelope containing money?

A Yes.

Q But you did not ask for that envelope?

A I did not.

Q How much money did it contain?

A Five $100 bills.

Q Five $100 bills?

A Yes.

Q Did you give it back?

A Yes, I attempted to give it back, and I did give it back later on.

Q Who gave it to you?

A A man named Larry Chew.

Q Was he a borrower?

A Yes, he was.

Q On what?

A Several ships at the bank.

Q Were those short term loans?

A Yes.

Q You say you did give the money back?

A Yes, sir.

Q Did you give it back right away?

A I went back after I received the envelope. I received it -- I didn't know what was in the envelope. On the way back to the bank after having lunch with the man I opened it up and I found five $100 bills. I got nervous. I didn't ask for it. I didn't know what it was for, except he requested a short term loan at lunch.

When I brought it to the attention of my superior, Mr. Spartalis, when I went back, before going -- I had mentioned to him two weeks earlier about him wanting a short term loan.

He said, "No."

After coming back from lunch, he told me it was okay to give it to him, and that's how I got the $500, I believe. Mr. Spartalis told him to give it to me.

The next day I called the man up and had lunch with him again. I had already brought the $500 back in my pocket and I tried to give it back to him at lunchtime.

He refused to take it back.

Some time later on -- this was about five months later -- it was bothering me. I went back and I gave the money back to him at lunch.

I said, "I don't want to have anything to do with this. I didn't ask for it in the beginning. You gave it to me and I tried to give it back to you at that time."

Q The same $500?

A Yes.

Q The same five bills?

A Later on I had gotten involved in the Tidal situation. It's possible it got even mixed up. I returned the five hundred dollar bills to him.

Q Where did you keep the $500 that Mr. Chew had given to you?

A I kept it some place in the house. I bought a safe later on.

Q Where did you keep it?

A I believe in my bedroom.

Q Where?

A In a drawer in the bedroom.

Q After how many months did it take you before you finally gave it back to Mr. Chew?

A I tried to give it back to him the next day. I believe when I did take it back, it was about five or six months later.

Q Do you remember being interviewed by Mr. Gordon? John Gordon, the Assistant United States Attorney?

A Yes, I have been interviewed by Mr. Gordon.

Q Do you remember being interviewed by him for the first time on October the 8th, 1975?

A I don't know the exact date, but I was interviewed by him some time in that time frame.

Q Do you remember telling Mr. Gordon about this $500 from Larry Chew?

A Yes, sir. I did tell him some time during the period of time

Q Did you ever tell Mr. Gordon, in fact, five months later you had given the same $500 back to Mr. Chew?

A I gave it back to him, yes.

Q My question is, Mr. Shevlin:

Did you tell Mr. Gordon that five months after you had received the $500, from Larry Chew, you gave it back to Larry Chew?

A Yes.

Q You told Mr. Gordon that?

A Yes, sir.

Q Under oath?

A Yes, sir, I believe I did. I'm certain I did.

Q You say you spoke to Spartalis about the $500 payment from Chew, is that right?

A No, I did not speak to Mr. Spartalis on the $500 payment from Mr. Chew. I spoke to him about a $50 bill I received in a Christmas envelope one day.

Q You spoke to Mr. Spartalis about a $50 bill you received in a Christmas envelope.

Who did you receive that from?

A A man named Nick Grigas of -- he owned a travel agency.

Q When was that?

A Some Christmas. I can't tell you the exact -- I would say around 1970, something like that.

Q Was he a borrower?

A He had just come in to borrow some money. I had done the back up work. I told Mr. Spartalis I was against the loan, it did not stand up on its own two feet.

Mr. Spartalis said he had been dealing with him for a long period of time and insisted that I sign the offering sheet recommending it.

hplt 3 Shevlin-cross

Later on I wrote a memo to that borrower's file saying that I was against this loan, and Mr. Spartalis insisted that I sign it. Right after the loan, Mr. Spartalis gave him the money. The man came in with a Christmas card that contained a $50 bill. I went to Mr. Spartalis and told him of this and he said to me, "Keep it. Everybody takes Christmas gifts around here at Christmas time."

I had told him I wanted to give it back to the man.

He said, "You did not have to."

THE COURT: I think we will recess at this time until tomorrow morning.

You are not about finished, are you?

MR. FLEMING: No, I'm not about finished.

I might ask one more question.

THE COURT: Yes.

Q You wanted to give the $50 back to this Mr. -- what was his name?

A Nick Grigas.

Q What did you say to Mr. Spartalis when he said you were going to get $70,000 from Amanatides?

A This was down in 19 -- late '71, '72. This was after I had gone through a lot of problems in the

department. Mr. Metzger was interfering with my accounts. I had just got completely disgusted and I said at this point I finally gave -- I had been tempted on these other occasions. I gave in on this one.

Q I see.

THE COURT: All right.

Ladies and gentlemen, you are excused until tomorrow morning at 10 o'clock.

(Adjourned to Wednesday, June 9, 1976 at 10 a.m.)

- - -

WITNESS INDEX

Name	Direct	Cross	Redirect	Recross
Gerald B. Greenwald	670	675		
Markella Delfos	687	718	745	747
Joyce D. Walker	759	765	776	777
John J. Shevlin	778	822		

EXHIBIT INDEX

	Identification	In Evidence
Government		
280-X	681	
280-Y	682	
1110		752
900E		753
Defendant		
K	748	
Court		
7	765	
9	778	

Pollack 1 UNITED STATES OF AMERICA 852

v. 75 Cr. 515

JAMES D. HANLON, COSTAS NASLAS
and PAUL KATRITSIS

New York, New York
June 9, 1976 - 10:15 a.m.

- - -

(In open court - jury present.)

J O H N S H E V L I N, resumed.

THE COURT: Good morning, ladies and gentlemen.

CROSS EXAMINATION CONTINUED

BY MR. FLEMING:

Q Mr. Shevlin, do you know a man named Mr. Martinos?

A A man named Martinos? No.

Q A woman named Martinos?

A Yes.

Q She received financing on some ships as a friend of Mr. Spartalis?

A Yes.

Q Did you receive a stock in connection with approving that loan?

A I received a letter stating we had stock, I think it was 10 percent of certain ships.

Q You received stock in the companies owning the

two ships, the purchase of which you were financing, is that right?

A Yes, sir.

Q Did Mr. Metzger receive some of that stock?

A Yes.

Q And Mr. Spartalis?

A Yes, sir.

Q That was Mrs. Martinos?

A Yes.

Q That was stock in Seapath Navigation Company?

A Yes, I believe so.

Q And in Seatravelers Ship Company, Ltd.?

A Yes, sir.

Q Did you ever try to give that stock back?

A Yes, I did.

Q When did you try to give it back?

A Later on I sent it back to Mr. Spartalis, the letter stating that I had shares in it.

Q Where was he at that time?

A In Greece.

Q He was in Greece?

A Yes.

Q This was after Tidal Marine had collapsed?

A Yes.

Q Mr. Spartalis went to Greece?

A Yes.

Q You say you sent back the stock to him that Mrs. Martinos had given you to obtain approval of the ship loan?

A That was a letter stating that there was stock being held for us but I didn't have the actual stock.

Q In April of 1972 did Mr. Amanatides tell you that Tidal Marine was in tight financial shape, tight financial condition?

A Well, I knew they were tight financial condition before that but there was a luncheon, in I believe May.

MR. FLEMING: Your Honor, please, could I have a responsive answer?

THE COURT: Read the question, please.

(Question read.)

THE COURT: If you would just respond to that without indicating where it was other than did that happen in April.

THE WITNESS: Not in April.

Q What month did Mr. Amanatides tell you that?

A As I recall, it was May, at a luncheon at Delmonico's.

Q At the same luncheon did Mr. Amanatides tell you that if anything happened to Tidal Marine Mr. Mark Scufalos

would also go down the drain?

A Yes, sir.

Q Subsequently in July of 1972 were you informed that Mr. Mark Scufalos' loans were in fact Tidal Marine loans?

A Yes, sir.

Q In fact, Mr. Mark Scufalos had been acting in partnership with Tidal Marine?

A Yes.

Q Do you recall the Aquario loan at the Bank of North America?

A Yes.

Q And that was in 1972?

A Yes.

Q Do you recall the date of the closing?

A I think it was in February.

Q Did you testify that you had dealt primarily with Mr. Naslas in connection with that refinancing?

A Yes, sir, as I recall.

Q Do you recall being questioned by attorneys for the Bank of North America in October, 1972?

A Yes, sir.

Q And that was Mr. Dioria?

A Yes, he was one of them.

Q What were the names of the other attorneys? Was Mr. Baranoff there?

A Yes, I believe so.

Q And a Mr. Meyer?

A Yes, sir.

Q And a Mr. Jones?

A Yes, sir.

Q He was not an attorney, was he?

A No, sir.

Q He was a bank official?

A Yes, sir.

Q A higher bank official?

A Yes, sir.

Q You were being questioned about these transactions?

A Yes, sir.

Q Were you under oath?

A No, sir.

Q Did you refuse to take an oath?

A I was not asked to take it, as I recall.

Q In connection with the Aquario refinancing, do you recall being asked these questions and giving these answers, page 422, by Mr. Diorio:

"Q Who applied for the loan on Southeast Tankers?

"A As I recall, Gregory called me into his office and said he had a request, I think through Amanatides, from Livas, to finance the Aquario.

"Q Was it to finance the Aquario or refinance it?

"A Finance.

"Q A loan to the Aquario?

"A I believe so.

"Q You better look at your fact sheet. It says the purpose of the loan is to refinance capital. Does that refresh your recollection?

"A No, I thought they were buying it.

"Q 'They' being whom?

"A Livas. Off the top of my head, I thought they were buying the ship. I thought Livas had the ship already."

Do you recall being asked those questions and giving those answers in October, 1972 with regard to the financing of the Aquario in January or February of 1972?

A I recall being questioned about it.

Q Do you recall saying the application had come through Amanatides from Livas?

A It is a long time ago. I cannot recall the exact conversation, but you apparently have it there, so it must be correct.

Q Was it the truth?

A It could have come through Amanatides, but as I recall --

Q My question was, was it the truth?

A I believe if I said it, I guess it was.

Q Mr. Naslas you say offered you a stereo set in January of 1971?

A Yes, sir.

Q You told him you didn't want it?

A Yes, sir.

Q You told him it was a pleasure doing business with Tidal Marine?

A Yes, sir.

Q And two weeks later Mr. Naslas took you to lunch again and he said Mr. Amanatides was disappointed that you didn't want the stereo set?

A Yes, sir.

Q And you said you liked golf?

A Yes, sir.

T1B

Q You said you were thinking of buying a set of golf clubs?

A Yes, sir.

Q Were you suggesting to Mr. Naslas that Tidal Marine give you a set of golf clubs?

A No, I did not really want the golf clubs either.

Q My question was: Were you suggesting to Mr. Naslas, according to your testimony, that you want a set of golf clubs and not a stereo set?

A I was talking about this thing but I didn't want--

Q Your answer was no, you did not make that suggestion?

A If you take it out of context, that's what I said, just as it was stated.

Q In making that statement, were you suggesting to Mr. Naslas that you wanted golf clubs?

A I'm telling you, I did not want anything.

Q It was just idle chatter?

A You have the statement as is stated there, just out of context. It's just what I stated.

Q Yesterday, page 784, question by Mr. Glekel in connection with these lunches:

"Q Did you have any further discussions?

"A Yes, about two weeks later Mr. Naslas called

hph 2 Shevlin-cross

me again, took me to lunch once again and told me how disappointed Mr. Amanatides was, you know, that I did not want a stereo set. We started talking about other things. I mentioned to him I was interested in golf and I was thinking about buying a set of golf clubs but I didn't want anything from them."

Did you so testify yesterday?

A Yes, sir.

Q My question is: When you mentioned that you were interested in golf and thinking of buying a set of golf clubs, were you suggesting to Mr. Naslas that you would like a set of golf clubs?

MR. GLEKEL: Objection, your Honor. The answer speaks for itself.

THE COURT: Sustained.

Q Then did you testify two months later Mr. Naslas called you up and asked you what type of golf clubs you would want?

A Yes, sir.

Q You said: "Was it First Flight or the standard model"?

A Yes, sir.

Q What is the difference between First Flight and standard model?

A As I recall, he mentioned a set they had already been producing a long time. The First Flight was something new.

Q A set like Spaulding or Wilson or Hagan?

A It was a different model they had come out with or something like that.

Q You said you thought First Flight was better but it wasn't necessary to give you any, is that right?

A Yes, sir.

Q You testified about two months later probably May or June, he called you again and told you the golf clubs had arrived?

A Yes, sir.

Q And you told him that you didn't want any golf clubs, especially in view of the fact that the Tama charter had been lost, is that right?

A Yes, sir.

Q That you didn't want them before and certainly didn't want them now?

A Yes, sir.

Q And you were still concerned they would give you the golf clubs that you called Mr. Amanatides?

b2 A Yes, sir.

Q And you said to Mr. Amanatides, "If you're a

friend of mine, please don't give me those golf clubs," is that right?

A Yes, sir.

Q Then you got a call from Mr. Farber?

A Yes, sir.

Q He still wanted to give you the golf clubs?

A Yes, sir.

Q And finally around Christmastime 1971, Mr. Naslas called you again and said, do you want to pick up the golf clubs?

A Yes, sir.

Q And you said no, send them to my home?

A Yes, sir.

Q Did you say to Mr. Naslas around Christmastime 1971, "Don't send me the golf clubs because you're going to give me $70,000"?

A No, sir, I didn't say that.

Q Did you testify yesterday that the application for the loan on the Tama had been submitted by Mr. Amanatide or by Mr. Naslas?

A Yes, sir. I think I said and/or.

Q Who was it, Naslas or Amanatides that submitted the loan application?

A I cannot recall exactly which one exactly brought

in the presentation.

Q You prepared a fact sheet on the Tama, did you not?

A Yes, sir.

Q That was dated April 15, 1971, was it not?

A Yes, sir.

Q Do you recall writing in that fact sheet Mr. Amanatides, chief executive officer of the company is now requesting a four million advance against the tanker?

A Yes, sir.

Q You didn't say Mr. Livas was requesting it, did you?

A No, sir.

Q I mean, Mr. Naslas.

A No, sir.

Q As a matter of fact, am I correct that the only mention of Mr. Naslas in your loan fact sheet, prepared by you on April 15, 1971, with regard to the Tama, is that Mr. Naslas among others would be a guarantor?

A Yes, sir.

Q Were you trying to protect Mr. Naslas from the loan committee?

A No, sir, but Mr. Amanatides--

Q I just asked you were you trying to protect Mr.

hph 6 Shevlin-cross

Naslas from the loan committee?

A No, sir.

Q Did Mr. Naslas have a bad reputation with the loan committee?

A No, sir.

Q Did you testify yesterday that you went to the closing on the Tama?

A Yes, sir.

Q And that Joseph Peter Flemming was the attorney?

A Yes, sir.

Q Mr. Naslas was there?

A Yes, sir.

Q Mr. Hanlon was there?

A Yes, sir.

Q And that after the closing you were walking down Broad Street?

A Yes, sir.

Q With Mr. Flemming?

A Yes, sir.

Q And he told you that he did not think there was a charter on the Tama?

A Yes, sir.

2A Q And you said, "That's a hell of a time to tell me"?

A Right.

Q You testified yesterday under oath that Mr. Naslas was walking behind you?

A Right.

Q And you dropped away from Flemming and walked back to Naslas?

A Correct.

Q And you said to Naslas Flemming feels there's no charter on the ship, is there anything to this?

A Right.

Q And Naslas said, no, there is a charter on the ship, there is nothing to be concerned about?

A Correct.

Q Do you recall testifying back in April about the Tama closing?

A April when?

Q 1976.

A Testifying to who?

Q In a different trial.

A Yes, yes, sir.

Q Do you recall being asked this question, page 895, question by Mr. Glekel:

"Q Was a loan ever made to Tidal Marine on a ship by the name of the Tama?

"A Yes, it was, around April, 1971.

"Q Following the making of that loan do you recall anything occurring in connection with the charter on the Tama?

"A Yes. I was walking out of the closing with Mr. Flemming, who was bank counsel, and he said to me on the way out, he thinks there was no charter in existence, and I said, this is a hell of a time to tell me."

Do you recall being asked that question and giving that answer?

A Yes, sir.

Q Do you recall being asked this question and giving this answer:

"Q What happened then?

"A I went back to the bank and I went into Mr. Spartalis' office and I told him about it. He said, you know, it was my fault because I didn't check the charter thoroughly enough, and shortly thereafter I told Mr. Metzger about it and I called up Tidal's officers and told them what Mr. Flemming felt about the situation."

Did you give that answer to that question, "What happened then"?

A If that's exactly what I said then, I left out that part, but I thought I did state it as I'm stating it right now.

xx (Defendants' Exhibit L marked for identification.)

Q You want to look at the question and answer and see if you said it then, about Naslas?

Did you say about Naslas then?

There's nothing in there that says anything about Naslas.

Q You just left it out; is that correct?

A I obviously did.

Q All right.

Back in October of 1972 when you were being questioned by the bank lawyers, do you recall being asked about the Tama transaction?

A I probably was. You would have to recall it to me.

Q The question by Mr. Meyer, page 209:

"Q As I understand it, Flemming told you about his thought that there was no charter on the vessel and literally walked out the door from the closing?

"A Yes.

"Q Just as a question, why did you not run back in and say hold it, there is no deal?

"A It had already been done.

"Q So what? It is still your four million.

"A Peter wasn't sure. It was speculation on his part. He said he wasn't certain.

"Q Was that about it, he just said to you I don't think we have a charter?

"A He had a stupid look on his face and I said, what's the matter with you? Why are you looking so unhappy?

"Q And he said?

"A I don't think there is a charter, and I said, you are telling me now.

"Q What about it? Was that about it?

"A I asked him what makes you think so. He said something about -- I think he said he had spoken to a friend of his the day before or something like that or in the morning and that was it. I said, Amoco is a big ompany, just because you checked in New York, this is Amoco, Japan."

Did you give those answers to those questions in October, 1972?

A If you have the record there, I guess I did.

Q On page 139 by Mr. Meyer:

"Q Wasn't Flemming trying to make sure the charter was sent out Amoco Japan?

"A I don't know how he inquired. When I walked out of the closing, Peter grabbed me and said for some reason I don't think there was any charter. I said, this is a hell of a time to tell me.

"Q Did you ask him what made him think there wasn't a charter?

"A I probably asked him, but he didn't have a specific reason, I don't think. I don't know what it was that made him think that way. He might have said that he had checked prior to the closing with a friend of his, but he never told me about this. He may have said this, but he never told me about it until after we got out of the closing."

Were you asked those questions and did you give those answers?

A Yes, I believe I did.

Q At page 28, same examination, did you testify, "Some time in 1971 we closed a loan for Betelgeuse".

That was the Tama, wasn't it?

A Yes.

Q "We closed a deal with Tidal for Betelgeuse. Immediately after walking out of the closing Peter Flemming closed this deal. Peter told me, I have a feeling that there's no charter there. I said, this is a hell

of a time to tell me after we just had worked out the closing. I said, why didn't you tell me 20 minutes ago. Peter was all upset and everything like that. I went back and I told Gregory about it, and he kind of blew his stack."

Did you so testify back in October of 1972?

A Yes, sir.

Q You said you went back to Gregory and told Gregory You are talking about Spartalis?

A Yes.

Q No mention of Naslas?

A No, sir.

Q Did you testify yesterday that there were after the Tama closing, further conversations about the charter on the Tama?

A Yes.

Q And did you testify that those conversations were with Amanatides and Naslas?

A Yes, sir.

Q And did you testify that about two weeks after the Tama closing they admitted there was a problem with the charter?

A Correct.

Q And when you said, "they," you meant to include

Mr. Naslas; did you not?

A I meant to include the people at Tidal Marine. I did not speak to them directly. Mr. Spartalis was the one that received the information.

Q You have no personal knowledge as to who at Tidal Marine admitted the absence of a charter on the Tama?

A I know Mr. Spartalis is speaking --

Q My question is: Do you have any personal knowledge of who at Tidal Marine admitted the absence of a charter on the Tama?

A I don't recall which one it was.

Q The question is: Do you have any personal knowledge?

MR. GLEKEL: Objection, your Honor. The word personal is ambiguous.

THE COURT: Nothing ambiguous about personal. The question is repetitious. The witness has already answered it.

Try again.

2B a.m. gwlt 1 Shevlin-cross

Q Did anyone in Tidal Marine write you a letter admitting that the Tama charter did not exist?

A Not to my recollection.

Q Did anyone at Tidal Marine speak to you personally and tell you that the Tama charter did not exist?

A That is possible, but I do not recall.

Q Who was it?

A I got the information through Mr. Spartalis.

Q Who was it that possibly called you direct?

MR. GLEKEL: Objection, your Honor.

THE COURT: Sustained. That is not consonant with his response at all. That goes off ignoring his response.

Q There came a time when you submitted yourself to interviews by Mr. John Gordan, Assistant United States Attorney, is that correct?

A Yes, sir.

Q That was in October of 1975?

A Yes, sir.

Q And do you remember being interviewed by Mr. Gordan on October 14, 1975?

A Yes, sir, I was interviewed by him several times during that period.

Q Do you remember telling Mr. Gordan that one or

two weeks after the closing on the Tama, Harry Amanatides acknowledged that there was no charter, heard this first from Gregory Spartalis and later from Harry Amanatides directly?

A I recall getting any information I had about it through Spartalis.

MR. FLEMING: May I have an answer to my question, your Honor?

THE COURT: He has answered it.

MR. FLEMING: May I have the question read back?

THE COURT: Yes, you can have the question read back, but he has told you that his recollection now is that it was Spartalis who told it to him. You can ask him about Amanatides fourteen times and he says Spartalis.

MR. FLEMING: That was not my question, your Honor.

THE COURT: Didn't you ask him whether it was Amanatides who told him? Wasn't that your question?

MR. FLEMING: No, sir.

THE COURT: Read it.

(Question read.)

MR. FLEMING: Directly.

THE COURT: What do you mean by telling me you did not ask him whether Amanatides had told it to him?

MR. FLEMING: I asked him if he told Mr. Gordan

gwlt 3 Shevlin-cross

that in October of 1975.

THE COURT: Go ahead.

A If that is what is in the writing there, yes, I must have told it to Mr. Gordan. I do not recall it specifically, but I know the answer to the question.

Q Did you ever tell the Loan Committee that there was no charter on the Tama?

A No, sir.

Q Did you in fact report to the Loan Committee that there was a charter on the Tama?

A Yes, sir.

Q In connection with a subsequent financing, is that right?

A I don't know what you mean, did I report it to a subsequent financing. I reported it when I initially prepared the fact sheet on the Tama loan to be presented to the Committee.

Q Then you went to a closing and Peter Flemming told you there was no charter on the Tama?

A That is correct.

Q That was in April or May of 1971?

A Yes.

Q The money went to Tidal Marine, in any event?

A Yes.

Q And you never told the Loan Committee that there was no charter on the Tama?

A Right.

Q And then Tidal Marine made an application for a financing on the Trechon?

A Right.

Q And you prepared a fact sheet on the Trechon?

A Right.

Q And in the fact sheet of the Trechon did you not state that the Tama had a charter?

A I couldn't tell you for sure. I don't think that is correct, but I'm not certain.

Q Did you write two letters to the certified public accounting firm of S.J. Leidesdorf, the auditors for Tidal Marine International, in which you told S. J. Leidesdorf that there was a charter on the Tama?

A Yes.

Q You wrote one of those letters in August of 1971?

A I recall only one letter and it was only a confirmation.

Q When did you send the confirmation?

A In the time frame you are referring to, but it is a long time ago. I cannot recall exactly which went first.

Q Did you send the confirmation before or after the

letter?

A Again, it is a long time ago. I cannot be sure exactly. Possibly the letter after the confirmation, but I'm not certain.

Q In both occasions you told S.J. Leidesdorf that there was a charter on the Tama?

A Yes.

Q And you knew that in fact there was not?

A That is not exactly true in terms of the letter.

Q When you wrote these letters to S. J. Leidesdorf, the confirmation and the letter, had you been paid any money?

A No, sir.

Q When you failed to disclose the absence of the charter to the Loan Committee, had you been paid any money?

A No, sir.

Q In August of 1971 there was a financing of six ships, six dry cargo ships.

A Yes, sir.

Q That was reported to the Loan Committee as a Scufalos loan?

A Yes, sir.

Q That was handled by Mr. Metzger?

A Yes, sir.

Q Prior to the approval of that loan, had Mr. Metzger told you that Scufalos owned so much stock in Tidal Marine that he had equal authority in Tidal with Amanatides?

A Yes, sir.

Q Did you tell that to the Loan Committee?

A No, sir.

Q Had you been paid any money by Amanatides or Naslas prior to August of 1971?

A No, sir.

Q On your oath?

A On my oath.

Q The charterer on the six dry cargo ships was represented to be Transoceanic, isn't that right?

A Yes, sir.

Q And you knew that to be an Ion Livas company?

A Yes, sir.

Q And you knew that Ion Livas was connected with Tidal Marine?

A There was a connection, yes.

Q Did you tell the Loan Committee that the charterer was an Ion Livas company?

A I brought it to Mr. Metzger's attention.

Q You brought it to Mr. Metzger's attention.

Did Metzger put it in his fact sheet?

gwlt 7 Shevlin-cross

A I don't think he did.

Q Did you then bring it to the attention of the Loan Committee?

A I may have. I'm not certain on that point. I did bring it to Mr. Metzger's attention.

Q You brought it to Metzger's attention that the charterer, Transoceanic, was a Livas company?

A Yes.

Q He did not put it in the fact sheet which went to the Loan Committee, is that correct?

A I don't think he did. I would have to see the fact sheet.

Q My question is:

Did you tell the Loan Committee orally that the charterer was a Livas company?

THE COURT: He's already answered that question. Next question.

Q Do you recall a conversation with Spartalis where Spartalis told you that Metzger had received other payments?

A Yes, I did.

Q Do you recall a conversation with Spartalis where he told you that Metzger was a professional?

A Professor.

gwlt 8 Shevlin-cross

Q A what?

A Professor, he said. He used the word "professor," not professional.

Q He told you he had gotten stock in Tidal Marine?

A That's what he told me.

Q Did he tell you how much stock Metzger got in Tidal Marine?

A No, he did not.

Q Did you ever tell that to the Loan Committee?

A No, sir.

Q You recommended the financing on the Trechon?

A Yes, sir.

Q Had you been paid money by Mr. Amanatides by this time?

A No, sir.

Q In fact, you turned down golf clubs?

A Yes, sir.

Q Did you misrepresent the outstanding borrowings of Tidal Marine when you recommended the Trechon financing?

A It was not reported correctly on the fact sheet, yes.

Q You prepared the fact sheet?

A I prepared the fact sheet, yes.

Q What did you do, Mr. Shevlin, to earn the money

gwlt 9 Shevlin-cross

which you say you received from Mr. Amanatides during the winter of 1971 and '72?

A As I said, there was a presentation made that we were to receive $70,000 apiece for getting approved the Tropis, Tekton, Aris and Tachys.

Q By the way, with regard to the financing of the Trechon, am I correct that Mr. Amanatides brought in that financing?

A To my best recollection, it probably did at that time come through him.

Q Amanatides?

A Yes.

Q You testified yesterday to the receipt of five payments, am I correct?

A Yes, sir.

Q The first payment was from Amanatides at the bank, d.d you say?

A Yes.

Q What was the day of that?

A December 24, 1971.

Q All right.

The next payment was by Amanatides at Tidal's offices?

A Yes, sir.

qwlt 10 Shevlin-cross

Q When was that?

A I would say that was early January, 1972.

(Continued on the next page.)

Q And did you testify Mr. Naslas made the third payment?

A Yes, sir.

Q When do you place that?

A Late January, 1972.

Q How long was it between the third and fourth payments?

A I would say approximately twenty-five to thirty days, somewhere around that.

Q About a month?

A Give or take a week.

Q When was the fourth payment made?

A Late February, I would say.

Q You say that was also made by Mr. Naslas?

A Yes, sir.

Q Then there was a fifth payment and when was that made?

A I would say late March. There was a delay between the fourth and fifth.

Q You received $10,000 according to your testimony from Amanatides on December 24th, that was the first payment.

A Yes, sir.

Q You went over to Tidal Marine's offices for the second payment and received that payment from Mr. Amanatides?

A Yes, sir.

Q I believe you testified that you walked in and turned left.

A I walked to the end of the hall, went down to his office at the end of the hall overlooking the water.

Q When you went to Mr. Naslas' office, you went in the opposite direction?

A Right. There was one other office directly at the other end which was not his office. His was next to the last office at the end.

Q So that after receiving that $10,000 from Mr. Amanatides, you had $20,000?

A Right.

Q Were you anxious for the rest?

A Personally, from my own personal standpoint, no.

Q Did you call Mr. Amanatides and say, "Where is the rest of the money?"

A No, I never did that.

Q Did you call Mr. Naslas and say, "Where is the rest of the money?"

A I never personally did that.

Q You did not do a thing?

A No, sir.

Q Then Spartalis called you in?

A Yes, sir.

Q And he said "Have you got any more payments?"

A Yes, sir.

Q And you said, "No."

A Correct.

Q And he said he would do something?

A Yes.

Q You testified that he made a call?

A Yes.

Q And then Mr. Naslas called you?

A Correct.

Q And then there was this transfer of funds or the check, cashing the check?

A The funds were taken out of the bank with a presentation of a check.

Q And you put your initials on that check?

A Yes, sir.

Q And that was a Tidal payment check which you initialed?

A Yes, sir.

Q And you were in no hurry for the money?

A No, sir.

Q I am correct, am I not, that later, when you received Travelers C.. cks from Mr. Amanatides, you were afraid

SOUTHERN DISTRICT COURT REPORTERS U.S. COURTHOUSE

to cash them?

A Correct.

Q Do you recall seeing Mr. Amanatides on the day that you say you picked up $10,000 on the first occasion with Mr. Naslas?

A I don't understand that question.

Q You testified that the third payment was received from Mr. Naslas in Mr. Naslas' office at Tidal Marine.

A Correct.

Q Do you recall seeing Mr. Amanatides at the office on that day?

A I don't believe I did, no, sir.

Q Did you ever tell anybody that Mr. Amanatides possibly was there?

A I don't recall seeing him, you know, at this time.

Q Do you recall telling Mr. Gordan on October 16, 1975, that Mr. Amanatides possibly was at Tidal Marine on that day and that he possibly told you that Naslas would take care of you?

A I cannot recall seeing Mr. Amanatides on that day.

Q Do you recall saying that to Mr. Gordan?

A I don't recall saying it to Mr. Gordan. I may

have, if it is in your notes.

Q You went to Barbados, is that correct?

A Yes, sir.

Q And you went on February 18, 1975?

A I think it was February 13th, around the 11th, 12th or 13th.

Q Do you have your passport?

A The government has it.

MR. FLEMING: Mr. Glekel?

MR. GLEKEL: Not in the courtroom.

A It was over one of those holidays, Lincoln's Birthday or Washington's. I think it is around the 13th.

Q Excuse me?

A It was over a holiday like Lincoln's or Washington's Birthday. I think it was around the 13th.

Q The third payment, the one you say you received from Mr. Naslas, the first payment you received from Mr. Naslas, you received before you went to Barbados?

A Yes, sir.

Q And the fourth payment you received after you went to Barbados?

A After coming back.

Q And do you recall telling Mr. Gordan that you received the payment, the first payment from Mr. Naslas,

one or two weeks before you went to Barbados?

A Approximately that would be correct, about two weeks before.

Q It is your recollection that you received another payment from Mr. Naslas after you got back from Barbados?

A Yes, sir.

Q You went over with Mr. Metzger to Tidal Marine's offices late in the day?

A Yes, sir.

Q Did you testify yesterday that you went upstairs to see Mr. Naslas?

A I testified yesterday there was a possibility I went upstairs; we received the payment in the lobby, but there is a recollection in my mind of going upstairs. There were a lot of people up there, like accountants and Mr. Naslas directed us outside and we went down the elevator to the lobby.

Q Did you go to Mr. Naslas' office when you went upstairs for the fourth payment?

A If my recollection on going into the office is correct, we did not go to his own office. We just went to the receptionist.

Q And Mr. Naslas came out?

A Yes.

Q And he said "Too many people are here"?

A I cannot recall his exact words. I recall seeing a lot of people.

Q He said, "Let's go downstairs"?

A Yes.

Q He took you downstairs to the lobby?

A Yes.

Q 5 o'clock in the afternoon?

A Yes.

Q Was anybody in the lobby?

A There were people.

Q Was it crowded?

A I believe it must have been crowded at 5 o'clock, yes.

Q Were there more people in Tidal's offices than there were in the lobby?

A I don't think so. I would imagine there were more in the lobby.

Q Did Mr. Naslas take you into an office in the lobby and close the door?

A No, it was in the lobby, right in the open, in the lobby.

Q Did he take you outside and get a taxicab and pay the money?

A No, it was in the lobby.

Q Am I correct that that building is about two blocks from the river?

A Yes.

Q The East River?

A Yes.

Q He didn't walk outside and walk down to the river and pay you the money?

A No, sir.

Q He paid you in the lobby?

A Yes, sir.

Q Because his office was too crowded?

A I recall his office looking very crowded. That's all I can say. As I said, that part is the most hazy about the whole thing.

Q There came a time when you found out that the charter on the Tachys -- or you were informed at least, the charter on the Tachys was a phony charter? Is that right?

A Correct.

Q As Mr. Pat Martin wrote a letter to BP and BP came back and said they didn't have such a charter?

A Right.

Q That was some time in March of '72?

A Right, around the 17th, 18th, 19th.

Q Am I correct that you told Mr. Gordan when you learned that, it was then that you knew, in March of '72, that Harry Amanatides was really crooked?

MR. GLEKEL: Objection, your Honor. No foundation.

THE COURT: Sustained.

Q Was it in March 1972 when you learned about the Tachys that you decided that Harry Amanatides was really crooked?

A I certainly had grave doubts about him at that point.

Q You testified yesterday that you dealt with Mr. Naslas on all sorts of matters?

A Yes, sir.

Q Including loan applications?

A Yes, sir.

Q Am I correct the first Tidal loans you handled were on four ships, the Stolt Edna, Nimar, Delfini and Triena?

A The first ones I financed?

Q Yes, sir.

A No, sir.

Q What was the first one?

A There were two ships in July, 1969, I think the

Sunny Lady and Sunny something or other.

Q Am I correct that Mr. Amanatides made that application to you?

A Yes.

Q Then the four-ship loan I have just mentioned?

A I recall that, yes.

Q Do you recall the Aquarib loans?

A Yes.

Q 2.7 million dollar loan on four ships?

A Yes.

Q Brought to you by Mr. Amanatides?

A Correct.

Q The Tichi, you recommended a loan on the Tichi, 2 million 4?

A That was part of the four-ship proposal.

Q Weren't the four ships the Stolt Edna, Nimar, Delfini and the Triena?

A Correct.

Q So the Tichi was different?

A Yes. Could you give me the corporate name?

Q Orion, 2.4 million.

A Yes, sir.

T3B

Q You recommended it?

A Yes.

Q November 18, 1970?

A Correct.

Q Brought to you by Mr. Amanatides?

A Right.

Q Then there was the Tama?

A Correct.

Q A four million dollar loan?

A Correct.

Q Brought to you by Mr. Amanatides?

A Right.

Q So represented in your fact sheet?

A Right.

Q At the same time, did you receive a list of ships which Mr. Scufalos had sold to Tidal Marine?

A Yes, there was a list of ships.

Q Did you give that list of ships which Scufalos had sold to Tidal Marine, did you give that list of ships to Mr. Metzger?

A I don't recall that.

Q Weren't some of the ships which were contained on that list and represented as sold to Tidal Marine the six ships that were financed in August?

hph 2 Shevlin-cross

A I heard they were, later on. I did not know it at the time.

Q Didn't you have the list of the ships?

A Right, but it was filed away some place. I never thought of looking at it. I had forgotten I had that list.

Q You didn't read it?

A No, sir.

Q You had it but didn't read it?

A Right.

Q The May and June were not on that list, were they?

A I don't recall what ships were on that list.

Q You proposed the loan on the Trechon, I believe you testified.

A Yes.

Q And again that application came from Mr. Manatides?

A That was in September of '71?

Q Yes.

A Most likely, yes.

Q And you told the loan committee that your experience with Tidal Marine had always been satisfactory?

A Yes, I did.

Q And there was no charter on the Tama?

hph 3 Shevlin-cross

A Yes, I did.

Q You never told them that, did you?

A I never told the committee.

Q You just told them of your experience being satisfactory?

A Right.

Q And on October 15th, you made a $50,000 unsecured loan to the Betelgeuse Company?

A October was this, did you say?

Q Yes.

A I probably did. I don't recall it exactly.

Q And that request came from Mr. Amanatides?

A I don't recall that specific. I know you're most likely correct, but I can't recall how that came in.

Q And all of this was before, on your oath, you had never received any money from Harry Amanatides?

A Yes, sir.

Q Did you testify yesterday that after these five payments which you say you received, two of them from Mr. Naslas, Spartalis told you there might be some more money in connection with the financing of the Tagma, is that right?

A Yes, and the Anasstasis.

Q I'll get to that. He told you there might be

more money in connection with the financing of the Tagma, is that right?

A That came second.

Q He told you that there might be some money in connection with the financing of the Anasstasis?

A Right.

Q He told you that was a vessel that Mr. Naslas was going to buy?

A Yes, sir.

Q And there would be $50,000, 30 for him and 10 for you and for Mr. Metzger?

A Right.

Q The first ship he mentioned, that is, Spartalis, was the Anasstasis?

A Right.

Q And then he mentioned the Tagma?

A That may have been the same day. It might have been a week or two later.

Q The Anasstasis ship came first and then the Tagma?

A Right.

Q You are absolutely certain that Spartalis told you that money would be paid on the ship which Mr. Naslas wanted to buy?

A Yes, sir.

Q Now again, when you were interviewed by Mr. Gordan on October 16th, 1975, do you recal telling him that there was an April discussion re additional 70,000 for the Tagma and that the Anasstasis may have been included.

A Yes, I think I did say it that way.

Q Now you are certain it was included?

A Yes, sir.

Q Do you recall being questioned by the bank lawyers back in October of 172?

A I recall being interviewed by them, yes.

Q And do you recall being asked this question, page 435, by Mr. Diorio:

"Q In light of all that, can you tell me how in God's name you recommended a loan on April 28th to Spartan Ideal Shipping Company purportedly owned by Naslas?

"A That's a different thing. Naslas was leaving Tidal and going on his own. He didn't get along with Livas at all. I think that was his principal reason for leaving. He had a representation from other ship owners, I heard, from working with Tidal being an excellent operating man and he was going out on his own"--

MR. GLEKEL: Objection, your Honor. There is no foundation for any of this.

THE COURT: Mr. Flemming, you have been reading at great length from what you say was written down by somebody at an interview of somebody else. That is not evidence Your questions are not evidence. It is what this witness answers that is evidence. You have been rattling along with a lot of statements that you say are taken from sources for which there is no foundation.

The objection is sustained.

MR. FLEMING: Your Honor, this is a question and answer type written transcript.

THE COURT: Mr. Fleming, that is not evidence. It wasn't offered in evidence. It's not in evidence, and the fact that you read it doesn't make it evidence. That's a statement that you say was made on a prior occasion for which there is no foundation in the record at this time.

Q In October, 1972, Mr. Shevlin, were you questioned with a reporter present by attorneys for the bank plus a Mr. Jones of the bank?

A Yes, sir.

Q Is the transcript of that questioning and answering about 600 pages?

A I don't have it in front of me. I know it was rather lengthy.

Q During that questioning, were you asked about

hph 7 Shevlin-cross

the loans to the Anasstasis?

A I'm sure I was, yes.

Q And during that examination, were you asked this question and did you give these answers by Mr. Diorio.

MR. GLEKEL: Objection, your Honor. I would like b2 to hand up a note.

THE COURT: Yes.

If I can anticipate and obviate the objection, Mr. Fleming is not entitled to read the question and the answer in the presence of the jury until the witness has affirmed that such a thing happened because what he is reading from is not evidence, so he can't do it orally, but he can show it to the witness and ask him whether that occurred, without referring to what happened in expressed terms.

Is that your objection?

MR. GLEKEL: There is an additional objection, your Honor, but what you are proposing may obviate it.

THE COURT: The suggestion contained on this memorandum, I think, Mr. Fleming, is correct. Let me show it to Mr. Fleming without reciting it in the presence of the jury. If there is any problem such as indicated on that memorandum, where you have something occur, no matter on paper or otherwise, and the subject matter is not yet

in evidence, the only correct procedure for you to follow is to show it to the witness and say you direct his attention to what appears on that page and ask him if that occurred. If he says it did, then you can read it. If he says it didn't, that's the end of it for the moment, because it is not in evidence. The mere fact that you purport to be reading from something doesn't make what you are reading from correct or evidence, until it has been validated by somebody.

As I explained to the jury time and time previously the evidence in this case comes from the witness stand, and not from the questions that a lawyer asks, or references that a lawyer makes to other occasions. It's what the witness acknowledges and says is the fact that the jury is to consider and evaluate.

(Pause)

THE COURT: The memorandum which the government passed up and which I showed to Mr. Fleming for a comprehension of the record will be marked Court's Exhibit 10.

(Court's Exhibit 10 marked.)

THE COURT:Your very first sentence just ignores what I have gotten through saying to you. You said you are reading these questions and answers as inconsistent statements. You can't do that. They are not in evidence. They haven't been acknowledged. There is no foundation for them. That is what I tried to tell you. Mark all of this. Staple it and make it Court's Exhibit 10.

(Defendants' Exhibit M marked for identification.)

Q Mr. Shevlin, are those questions which you were asked and answers which you gave during examination by the bank lawyers in October, 1972?

A Just give me a chance to read it.

Can you tell me which question you are referring to now?

THE COURT: He is just asking you whether all of those things --

THE WITNESS: Yes, I recall being asked questions like this.

THE COURT: Do you recall that those were the answers given at that time?

gwh 2 Shevlin-cross

THE WITNESS: Yes, they appear to be the answers.

THE COURT: All right.

Mr. Clerk, give it back to Mr. Fleming.

The witness is referring to what exhibit?

THE CLERK: This is Exhibit M, your Honor.

THE COURT: All right.

MR. FLEMING: May I offer this, your Honor?

THE COURT: You can now use it because it's been acknowledged. You now made a foundation. You can do whatever you want with it.

MR. FLEMING: All right.

THE COURT: Do you want him to read this other paper that you put before him which is Exhibit L? Do you want him to read that, too?

MR. FLEMING: What is it?

THE COURT: You handed it to him.

MR. FLEMING: That was back earlier, your Honor.

THE COURT: All right.

MR. FLEMING: May I read these now to the witness, your Honor?

THE COURT: You may do anything that you want with those because they have been acknowledged to be authentic.

Q Did you state with regard to Naslas: That was

a different thing, Naslas was leaving Tidal and going on his own, he did not get along with Livas at all, I think that was his principal reason for leaving, he had a representation from other ship owners I heard from working with Tidal, being an excellent operating man and he was going out on his own and it was really an accommodation to him, it was a relatively small item?

Did you so state?

A Yes, I believe I did.

Q Was that the truth?

A Most of what I said in there. There is truth in that.

Q Excuse me?

A There is truth in there,yes.

Q Was it true that the loan to Naslas was a different thing?

A Do you want me to explain that or a yes or no answer?

Q Was it true?

A When I say different thing, I don't exactly -- I meant he was no longer with Tidal possibly.

Q Is it true that Naslas was leaving Tidal or going on his own?

A I had heard that, yes.

Q Was it true he didn't get along with Livas at all?

A Yes. He told me that personally himself.

Q Was it true you thought it was his principal reaso for leaving?

A Yes, I believe that was the reason why he was leaving.

Q Was it true that Naslas had a representation from other ship owners that you had heard from working with Tidal being an excellent operating man and was going out on his own and was really an accommodation to him? Was that true?

A At that time I believe I recall some people saying he was a good operating man.

Q You never received the money from Mr. Naslas in connection with that ship, did you?

A No, sir.

Q That ship operated on its charter?

A As far as I know, it did. I wasn't with the bank.

Q You weren't with the bank any longer?

A At the time I was with the bank. About six months later I was not, so I don't know.

Q Directing your attention to May of 1972 when you

had the luncheon to which you testified yesterday.

Do you recall that?

A Yes.

Q Did you testify that Amanatides, Livas and Naslas were there?

A Not in May. Livas was not there.

Q Did you testify that Amanatides and Naslas were there?

A Yes, sir.

Q And you were there with Metzger and Shevlin?

A Metzger and Spartalis.

Q Metzger and Spartalis?

A Yes.

Q They were pleading for money, did you say?

A As I recall, they were pleading for a suspension of the cash collateral payments and the release of the funds n those cash collateral accounts, yes.

Q When you left that luncheon did you testify that you said to Mr. Amanatides: Don't worry about any payments to me?

A Yes, sir.

Q Did you say it to Mr. Naslas?

A I do not believe -- no, I did not say it to Mr. Naslas.

Q Wasn't it, according to your testimony, his ship in connection with which you were to receive money?

A What does that have to do with this luncheon you are talking about?

Q Wasn't it in connection with Mr. Naslas' ship that you were supposed to receive money?

A No, we were referring to the -- yes, that's true, but I was referring to the payments we had not received yet of the first $70,000.

Q When you spoke to Mr. Amanatides and said, don't worry about any payments to me, you were talking about the original agreement with Amanatides?

A Correct.

Q Mr. Naslas, according to your testimony, had paid you $20,000?

A Correct.

Q Did you tell Mr. Naslas, don't worry about any payments to me?

A No, I did not.

MR. FLEMING: May I mark this, your Honor.

THE COURT: Yes.

xx (Defendants' Exhibit N marked for identification.)

Q Would you read those two pages, Mr. Shevlin, and tell me if those questions were asked and those answers

given by you during your examination by the bank lawyers in October of 1972?

A Just the parts you have defined?

Q Those two pages.

A Yes. Go ahead.

Q Were you asked those questions and did you give those answers during that interview in October, 1972?

A Yes, it appears that I was asked these questions.

Q Did you testify at that time, state at that time, "I think they came to us in April, I guess it was April, something like that, and asked for a moratorium.

"Q Who came to you when you say 'they'?

"A It must have been Amanatides. They asked, could we give them a moratorium for 90 days. At the end of the 90 days both the next quarter and the one they missed would be made up and we agreed to this."

Did you say, "I believe we had a luncheon with Amanatides, Metzger, Spartalis and myself"?

Did you say that at that time?

A I don't recall. You have it down there on paper as such. I don't recall this specific conversation. You have shown me a piece of paper with it on it. That's what it says on that piece of paper. I recall being questioned on matters concerning Tidal Marine at that time.

Q Did you go on and say that Amanatides had asked you for the moratorium because they were right and there was a meeting with them both in April and in May?

A Correct.

Q And you have read these pages. Did you say that Naslas was present at either of those meetings?

A They are not in those pages, no.

Q The Harilion, Marilion and those four ships, you handled that financing?

A Yes, sir.

Q It came to you from Harry Amanatides?

A Yes. He brought the loan in, right.

Q In fact, it was the loan application by Amanatides and Livas, isn't that right?

A Possibly in letter form. Amanatides was the one who brought it in.

Q You prepared the fact sheet on that?

A Yes.

Q December 21, 1970?

A Yes, I saw him, that's right.

Q You said in that fact sheet that Amanatides and Livas were large stockholders in Tidal Marine International Corporation?

A Most likely correct, yes.

Q Did you say that in your fact sheet?

A It is a long time ago. I cannot recall every word I put into every fact sheet.

Q Did you say that Mr. Amanatides and Mr. Livas "have contracted to purchase four vessels, two of which they have already taken delivery"?

A Yes. If it is in that fact sheet, I said it.

Q Am I correct that Mr. Naslas did not request this loan from your bank?

A As I recall, you are correct.

Q Do you remember having conversations with Joseph Metzger in January of 1974?

A I'm just trying to get the time frame in mind. Yes, I believe I did. Yes, I recall it.

Q You saw him quite a few times, did you not; spoke to him quite a few times?

A Yes, sir.

Q You spoke to him about whether or not he should cooperate with the United States Attorney's office?

A If you are referring to -- I told him not to go before the grand jury and lie. Is that what you're referring to?

Q You knew Metzger had taken money, is that right?

A Yes, sir.

Q In fact, Spartalis told you he had taken stock?

A Yes, Mr. Spartalis did mention that.

Q Spartalis had called him the "Professor"?

A Yes, sir.

Q You knew Spartalis had taken money, didn't you?

A I never saw Mr. Spartalis take it. I know he had arranged all these things, yes.

Q You knew he had gone to Greece, didn't you?

A I don't think I knew he was going until he was gone.

Q Then you knew he was gone?

A Yes.

Q Okay.

You knew you had taken money?

A Yes, sir.

Q All right.

You knew there was an investigation pending?

A Yes, sir.

Q You knew it was being conducted by the Office of the United States Attorney?

A Yes, sir.

Q You knew the grand jury was looking into the matter?

A Yes, sir.

Q You went and you spoke to Metzger?

A Yes, sir.

Q You telephoned him? In addition to speaking with him, you telephoned him?

A And in person.

Q Did you ever go to his house?

A Yes, sir.

g wlt 4 Shevlin-cross

Q You had several conversations with him about what to do, is that right?

A Yes, sir.

Q And you told him not to tell any lies, isn't that right?

A Yes.

Q He asked you not to implicate him, is that right?

A Yes, sir.

Q You told him, according to what you say, "That's ridiculous. If I cooperate, I have to tell everything"?

A Yes, sir.

Q That was in January of 1974?

A As close -- it was in that time period, as close as I can recall.

Q You went in the grand jury?

MR. GLEKEL: Objection as to relevancy, your Honor.

THE COURT: It may go beyond the scope of permissible cross examination, but I will allow it in my discretion at this point and stop it if it goes too far.

MR. GLEKEL: May I just write a brief note as to the very next question?

THE COURT: I don't know what the next question is. I haven't heard it.

MR. GLEKEL: It will be too late.

Q Were you subpoenaed to the grand jury in the fall of 1974?

THE COURT: There's nothing wrong with that question, is there?

MR. GLEKEL: No, but it is the next one.

A I am trying to think when I was subpoenaed before the grand jury.

It was some time in '74, October '74.

MR. FLEMING: May I write out a note?

THE COURT: Keep asking questions.

Q Did you answer any questions in the grand jury at that time?

A Outside of my name, address and occupation, I think, no, I took the Fifth Amendment.

Q There came a time in October of 1975, one year l ter, when you began to talk to the Assistant United States Attorney, Mr. Gordan, is that right?

A Yes, sir.

Q Your attorney was Mr. Perrin?

A Yes, sir.

Q Did Mr. Perrin come down and speak to Mr. Gordan before you did in October of 1975?

A Yes, sir.

Q Did he report back to you?

A Yes, sir.

Q Mr. Perrin did?

A Yes, sir.

Q Did he tell you what Mr. Gordan had said?

MR. GLEKEL: Objection, your Honor.

THE COURT: Sustained.

I think that comes under the attorney-client privilege.

Don't bother with a note, go right ahead.

Q Am I correct that Mr. Perrin came down and spoke to Mr. Gordan on October 7, 1975?

A I couldn't tell you if that was the exact date. He did speak to Mr. Gordan during that period.

Q Am I correct that the first time you spoke to Mr. Gordan, that is the first time you answered any questions of Mr. Gordan, was on October 8, 1975?

A Very possible. As I said, I can't tell you the exact dates of these things.

THE COURT: Was it in that time frame?

THE WITNESS: Yes.

MR. FLEMING: The date is important, your Honor.

THE COURT: All right.

(Defendant's Exhibit O was marked for identification.)

gwlt 7 Shevlin-cross

Q Look at Exhibit O and tell me if that refreshes your recollection as to the first time you answered any questions by Mr. Gordan.

A All this has is a date on it and some questions that were asked.

Q Do you recall those as being the first questions asked of you by Mr. Gordan?

A These were not the first questions asked. There were other questions asked before. These are questions asked probably later on in that conversation that day or whatever day it was.

Are you sure you have the right sheet here? It mentions Larry Chew and Martinos. Those were not the first questions asked of me.

Q Did Mr. Gordan take notes of all the answers you gave him?

A He was writing down while I was talking.

Q Okay.

Did Mr. Gordan tell you that on October 3, 1975, Mr. Naslas had appeared in Mr. Gordan's office?

A I don't recall that, Mr. Fleming.

Q Did Mr. Gordan tell you that on October 3rd, that is prior to the time he began talking to you and having you answer questions, prior to that time Mr. Naslas had come

gwlt 8 Shevlin-cross

to his office voluntarily and had told Mr. Gordan that it was his then belief, in October --

MR. GLEKEL: Objection, your Honor.

THE COURT: I think the witness has given an indication by his previous answer that would preclude your portraying a supposed conversations for an occasion that the witness does not accept.

Q At the time you first appeared in Mr. Gordan's office to answer questions, did Mr. Gordan tell you that Mr. Naslas had already been in his office?

A No, sir, not to my recollection.

Q He told you nothing at all about Mr. Naslas?

A No, sir, not to my recollection.

Q Your decision to answer questions by Mr. Gordan in October of 1975, was your own and your attorney's, is that right?

A The decision was my own, yes.

Q Had nothing to do with anything Mr. Gordan said to you about Mr. Naslas?

A No, sir.

MR. GLEKEL: Objection, your Honor. He has been asked about that subject.

THE COURT: Yes. It is argumentative at this point. Sustained.

Q Just one or two questions, Mr. Shevlin.

Do you expect leniency as a result of your testimony?

A As I said yesterday, I have no -- I have been promised nothing.

Q Has anyone told you that during your testimony you should concentrate on Mr. Naslas?

A No, sir.

Q My question was:

Do you expect leniency?

A That's a speculative question. I can't -- I would always -- I would like to hope to think that way.

Q You hope for it?

A I have been promised nothing. I have no idea.

Q Hope for it?

A Naturally I would hope for it.

MR. FLEMING: I don't have any further questions.

THE COURT: We will take a short recess now, ladies and gentlemen.

(Recess.)

(Court's Exhibit 11 marked.)

(In open court - jury present.)

THE COURT: Court's Exhibit 11 is marked and filed and motion is denied.

Ladies and gentlemen of the jury, I would like to give you some rules on procedure.

During the trial I am being called upon to make rulings on various questions such as when a question put to a witness is objected to or after a question is answered and a motion is made to strike out the answer.

On occasion I sustain objections or will sustain them and on occasion I may overrule or have overruled others.

It is essential in the performance of your duty that when anything is ordered stricken from the record I put it out of your mind and disregard it and, similarly, if a question is asked and an objection to that question is sustained and no answer is given, the question itself should play no part in your consideration of the guilt.

No inferences of any kind, whether as to guilt or innocence of the defendants on trial or as to the credibility of any witness, should be drawn from any rulings that I make or have made or from the fact that on occasion I ask certain questions of certain witnesses. My questions are intended only for clarification or to expedite matters. They

are not intended to suggest any opinions as to guilt or innocence op the defendant or the defendants or the credibility of anyone who appears before you.

It is neither my intention nor my function to favor one side or the other or to imply that I have any views as to the credibility of any witness or as to the guilt or innocence of any defendant. That is your sole and exclusive function.

Counsel, you must remember, not only have the requirement but indeed it is their duty to thoroughly investigate their case, interview prospective witnesses and present whatever legal points and evidence they believe they have and whatever legal objections they believe should be asserted and seek to bar evidence or proposed evidence on legal ground where that is appropriate.

In doing so, each lawyer is simply performing his sworn duty as a lawyer for a client, or on behalf of a client. Any colloquies with the Court by counsel and the Court's rulings are not to be considered as any reflection on either counsel and must be disregarded by the jury as consideration of the evidence.

It is the evidence which will guide your deliberations in this case if and when the case is put to you, and nothing that has been said in any way is to be taken by you as an evaluation of any witness or any other testimony or

credibility.

I have refrained as far as reasonably feasible, as you may have noticed, for half-hours or hours on end from saying anything in this case, and only then when called upon by counsel. That is their function to call upon me and it is my function to order the proper conduct of the trial.

Please bear in mind these instructions.

MR. FLEMING: Your Honor, I forgot to ask one question. May I ask it of the witness?

THE COURT: Yes.

(Defendant's Exhibit P was marked for identification.)

BY MR. FLEMING:

Q Would you look at those two pages and read them and tell me whether or not they report questions asked of you and answers which you gave when you were questioned by the bank attorneys in October of 1972?

A You are asking the question if I had been asked these questions?

Q I am asking you if you recall being asked those questions and giving those answers when you were questioned by the bank attorneys and Mr. Jones in October, 1972.

A I recall questions connected with this and these are probably the ones. It is a long time ago. I cannot

recollect every single thing.

Q Did you make statements at that time in response to questions that your contact with Amanatides decreased during the period from the latter part of 1971 on?

A Yes, that is correct.

Q And did you say that Mr. Amanatides was not in the States that much?

A Yes, that is correct.

Q Did you say that he was mainly in London?

A Yes, that would be correct.

Q And did you say that you would just call Naslas once in a while and say "How are things going; are you going to meet your quarterly installment; is there anything to worry about; is the Shearson, Hammill equity going to go through?"

A That's what it says on the piece of paper there, but it was more direct than once in a while.

Q Did you say in response to the question of the bank's attorneys --

A If that is a copy of what took place there, I must have said it, yes. I don't now recall the exact question.

MR. FLEMING: I have nothing further.

REDIRECT EXAMINATION

BY MR. GLEKEL:

Q Mr. Shevlin, do you recall testifying on cross examination concerning a loan for $50,000 to Betelgeuse Corporation on October 15, 1971?

A Yes.

MR. GLEKEL: Your Honor, I would like to read a brief portion of Government's Exhibit 960 in evidence to the jury.

THE COURT: All right.

(Mr.Glekel read to the jury from Government's Exhibit 960 in evidence.)

Q Mr. Shevlin, do you recall testifying on cross examination concerning a letter you wrote to S.D. Leidesdorf & Company, Tidal Marine's accountants concerning the charter on the Tama?

A Yes.

Q Will you tell the jury how you came to write this letter?

A Yes. I believe this was right after the Tama loan was paid off. Mr. Naslas came in to me with a letter already written without concerning the Tama charter. His accountants were going over Tidal's books and he said to me he needed this thing for the accountants to go ahead with the

books, would I please sign it. I asked him as far as we know the charter had been lost, that's what happened with the Tama, and if anything happened since then, and he said the charter had been rearranged, there was a problem with the broker and it is now rearranged.

I went to Mr. Spartalis' office and he said it was okay.

I may have signed it and retyped it on bank paper. I don't remember.

THE COURT: How do you spell that?

THE WITNESS: T-a-m-a.

MR. GLEKEL: Nothing further, your Honor.

(Defendant's Exhibit Q was received in evidence.)

RECROSS EXAMINATION

BY MR. FLEMING:

Q Would you read those pages, Mr. Shevlin, and tell me whether those pages reflect questions asked by the bank's counsel and answers given by you to those questions in October, 1972?

A Yes, I recall.

Q And you were asked whether you had written to Leidesdorf & Company, the accountants, for Tidal on August 2, 1971?

A Are you referring to the confirmation or the letter?

Q "Q On August 2nd you wrote to Leidesdorf & Company, who apparently were the accountants for Tidal; right?

"A Yes.

"Q Enclosing information on Betelgeuse Navigation which had been requested by Leidesdorf on June 30th of '71. No. 12, in response to their request concerning collateral, you say, 'First preferred ship mortgage on the TAMA assignment of five-year charter with Amoco for TAMA.'

That really wasn't accurate, was it, John?

"A I guess it wasn't.

"Q You certainly knew on August 2nd when you prepared that there was no animal called an Amoco charter?

"A Did I sign that?

"Mr. Meyer: You signed the covering letter.

"Q How do you explain that, John?

"A I don't know how to explain it other than probably we didn't want to put them in hot water or anything like that. The loan was probably current at the time. That is about the only explanation I can give.

"Q Let me ask you honestly and frankly, were you trying to protect Tidal or were you trying to protect Shevlin? You have the unpaid balance at June 30th, at $3,812,500.

hph 2 Shevlin-cross

"A I should point out on those things, and when we do accountants' confirmation, usually somebody else prepares it and they are given to me to sign it. I didn't prepare it. It is possible I overlooked it because somebody b2 else prepares them and sends them up.

"Q Do you really want to take that position or do you want to say it was deliberate?

"A I would prefer to take that position because I am not certain. I don't know if it was deliberate or not.

"Q Is it likely that you would have signed anything concerning Betelgeuse without all sorts of things happening in your head?

"A It is hard to say with those accountants' confirmations, I usually don't go into any great depth. They usually come at you two or three at a time.

"Mr. Jones: There was a difference outstanding. In other words, there was $4 million owing. However, now that you have explained it, I can understand where the outstanding -- there might be a discrepancy on it and you wouldn't know it, but that part about the Amoco charter is one I can't understand at all.

"Mr. Shevlin: As I said, the only thing I can-- if I can make any explanation on it, would be I may not have prepared the thing and it came before me and I signed it

without reading it thoroughly. I don't remember that.

"Q Do you remember this letter to Leidesdorf on September 30, 1971?

"A I recall it. It is possible Amanatides maybe called up and said, 'If you put is in default', or something like that, 'it would look bad for us. We are paying the thing off very shortly.'

"Q They had paid it off two days before you wrote the letter, but the letter speaks as of another time. It speaks as of September 17th.

"A He may have requested that we did put that in there since the thing had been cured at the present time."

A Yes, I recall.

Q You said Amanatides--

A Mr. Naslas came up with the letter himself and Mr. Amanatides may have called me in advance or something like that but they were concerned because the accountants were preparing the books. The loan was already paid off at the bank and I had been told that the charter had been rearranged. I was not concerned that much about signing that letter.

Q Am I correct that in October, 1972, one year after the event, you told the bank lawyers that it is possible Amanatides maybe called up on the letter?

A It's possible he may have called up, yes, sir.

Q Am I correct you said nothing to the bank lawyers about Naslas?

A That's correct, there is nothing in there about that.

Q You were shown a note signed by Mr. Naslas of $50,000 for Betelgeuse. Was he one of the signatories for the Betelgeuse--

MR. GLEKEL: Objection, your Honor.

THE COURT: Mr. Glekel showed him the note, not Mr. Naslas.

MR. GLEKEL: I read it to the jury, your Honor.

Q With regard to that $50,000 advance to Betelgeuse, did you testify on my original cross-examination that advance had been made by you at the request of Mr. Amanatides?

A It was probably at Mr. Amanatides' request.

MR. FLEMING: I have nothing further.

REDIRECT EXAMINATION

BY MR. GLEKEL:

Q Mr. Shevlin, at your interview in October, 1972, at the National Bank of North America, were you asked whether you received any money from Tidal Marine?

A Yes.

Q What was your response?

hph 5 Shelvin-redirect

A No, I had not.

Q Have you subsequently pled guilty to receiving money?

A Yes, I have.

MR. GLEKEL: Nothing further, your Honor.

THE COURT: Thank you very much, you may step down. Next witness.

(Witness excused)

MR. MARMARO: The government calls Barry Metzner.

B A R R Y M E T Z N E R, called as a witness, having been duly sworn, testified as follows:

MR. FLEMING: May I have one moment, your Honor.

(Note handed to the Court)

THE COURT: This note is marked Court's Exhibit 12.

(Court's Exhibit 12 received.)

THE COURT: Until the inquiries are elicited, I have no notion at all as to what it will be and I can't anticipate it.

Go ahead. The objection is overruled.

DIRECT EXAMINATION

BY MR. MARMARO:

Q Mr. Metzner, how are you employ

A I'm a locksmith. I'm self-employed.

Q And what is the name of your company?

A Abby Safe and Locksmith Company.

Q Where is that located?

A Queens Village.

Q For how long have you been a locksmith?

A Well, in that location about ten, eleven years.

Q I show you Government's Exhibit 188 in evidence and ask you if you recognize that?

A Yes.

Q What is it?

A This is a bill made out to Joseph Metzger for one Gary Safe.

MR. SPRIZZO: Objection on the ground set forth in the note.

THE COURT: Objection overruled.

Q Did you participate in the installation of the safe described in this invoice?

A Yes, I did.

Q What, if anything, did you do in that regard?

A Well, I had to bring the safe to Mr. Metzger's home and rig the safe into the house and down a flight of stairs and install it into his basement. At that

hph 7 Metzner-direct

point I built a column of concrete blocks and installed the safe some place in the middle of the column.

Q Approximately how much did the safe weigh?

A The safe itself weighed 350 pounds.

Q Do you recall how the safe was paid for?

A It was paid in cash.

Q Was it all in cash?

A There was a deposit which was in check.

MR. MARMARO: With the Court's permission, I would like to show Exhibit 188 to the jury.

(Government's Exhibit 188 shown to the jury.)

Q Mr. Metzner, I show you Government's Exhibit 225 in evidence and ask you if you can identify that.

A Yes, I can.

Q What is that?

A This is a photocopy of the page from this book that describes the safe.

Q Is that a photocopy of the page of the catalog that describes the safe?

A Yes.

Q I show you Government's Exhibit 163 and 164 in evidence and ask you if you can identify these items.

A This is a very good likeness of the safe that he bought.

Q Which are you looking at, or both?

A Both.

Q But it is not the precise safe?

A No, it's not the safe but it is a very, very good likeness of what he bought.

MR. MARMARO: May I pass these exhibits to the jury, your Honor?

THE COURT: All right.

(Government's Exhibits 225, 163 and 164 shown to jury.)

MR. MARMARO: I have nothing further on direct. I would like to briefly refer to one other exhibit, your Honor.

This is Government's Exhibit 185 in evidence. It is a check made out to Abby Safe Company for $100 dated January 26, 1972, and signed Joseph Metzger, and a related bank statement from National Bank of North America, indicating the check was cashed.

THE COURT: Any cross-ex amination?

MR. SPRIZZO: No cross-examination, your Honor.

THE COURT: Thank you very much. You may be excused.

(Witness excused)

THE COURT: Ladies and gentlemen, we will take

hph9

a recess now until 2 o'clock.

(Jury left)

MR. SPRIZZO: Your Honor, I just wanted to preserve our collateral estoppel objection to the testimony of this witness as well as that of Shevlin, being this witness did testify at the previous trial. I just sent the note so there won't be any question of waiver on that point.

THE COURT: I understand. You have made your point on the record. Have you stated everything you want to state on the record so the note becomes unnecessary?

MR. SPRIZZO: Yes. There is no need for it.

THE COURT: All right, 2 o'clock.

(Recess to 2 P.M.)

1A p.m. hplt 1

AFTERNOON SESSION

2:10 p.m.

(In open court - jury present.)

MR. GLEKEL: Your Honor, I would like to read a portion of Government's Exhibit 960 to the jury, which is a series of bank notes.

The first series was read to the jury prior to the luncheon recess.

(Mr. Glekel read to the jury from Government's Exhibit 960 in evidence.)

THE COURT: When you say it is a bank note, do you mean it is a note to the bank?

MR. GLEKEL: It is a note to the bank obligating the signer to repay the bank.

THE COURT: Are you talking about a promissory note?

MR. GLEKEL: Yes, it is a promissory note obligating the signer to repay the bank the amount of $98,000 by a certain date, and the date when the promissory note is due is June 10, 1971.

(Mr. Glekel read further to the jury from Government's Exhibit 960 in evidence.)

MR. GLEKEL: The final note I read has been separately marked as Government's Exhibit 47D.

Your Honor, the government calls Panayotis Pyrpyris.

P A N A Y O T I S Γ Y R P Y R I S, called as a witness on behalf of the government, having first been duly sworn, testified as follows:

THE COURT: This is Court's Exhibit 13. I think the quickest way for me would be to have the reporter type-write this memorandum, rather than make a Court's exhibit of it.

Just copy this objection into the record.

(Court's Exhibit 13 reads as follows:

"We preserve an objection raised on collateral estoppel grounds. This evidence is being offered on the bribery counts.")

DIRECT EXAMINATION

BY MR. GLEKEL:

Q What is your present occupation?

A My present occupation?

Q Yes, presently.

A I am teaching at the New School.

Q Directing your attention to 1970, where were you employed at that time?

A By Delta Marine.

Q Is that a subsidiary of Tidal Marine?

A Yes.

Q Who hired you?

A Mr. Naslas.

Q Costas Naslas?

A Mr. Costas Naslas.

Q Did there come a time when you began working for Tidal Marine International Corporation?

A Excuse me? I didn't hear you, sir.

Q Did a time come when you began working for Tidal Marine?

A Yes.

Q About when was that?

A I don't remember exactly the date, but when we move from the old building to 80 Pine Street. In the meantime, they fired me and they hired me again. It was, if I remember correctly, 1971.

Q And your offices were located at 80 Pine Street?

A Yes.

Q What were your duties?

A General clerk.

Q Did Costas Naslas work in the same offices?

A Yes, sir.

Q Mr. Pyrpyris, let me show you a check which is part of Government's Exhibit 17 in evidence. It is a check

dated January 28, 1972, payable to the order of "Cash" for $20,000. It bears the signature of Costas Naslas and the back of it bears an endorsement which purports to be yours, Panayotis Pyrpyris.

Let me ask you to look at that check and state if you recall ever receiving the original of the check.

A If I have seen the original?

Q Ever.

A Yes, that day when I went to cash this money, to receive the money.

Q Please state, did a time come when you received this check?

A A time?

Q Did a time come when someone gave you this check?

A Yes, Mr. Costas Naslas gave me this check.

Q Where did he give it to you?

A Where?

Q Where.

A In the office.

Q What office?

A On Pine Street.

Q In Tidal Marine's offices?

A Yes.

Q Was anything said when he gave you the check?

A No. He asked me to go to the bank to get this money, to come back.

Q What bank did he ask you to go to?

A It is National Bank of North America.

Q And what did you do after he gave you the check?

A I went to the bank, I went to the clerk, and I sign in the back of th eck and I took the money and I came back to the office and I gave it to Mr. Naslas.

Q Did the clerk refer you to anyone else?

A I think they asked me somehow to authorize this check before, to cash the check.

Q To get someone else to authorize e check?

A Yes.

Q In what form did you receive the money?

A I have no idea.

Q What was the money in?

A In an envelope.

Q What did you do with the envelope after you received it from the bank teller?

A I put it in my pocket, in my jacket, inside, and I return to the office and I gave it to Mr. Naslas.

Q How far are Tidal Marine's offices located from the National Bank of North America?

A I think it is a block difference.

T1B

Q Let me direct you to the handwriting on the check in the left-hand portion near the top which says: "MT Aquario, cash to master."

A Yes.

Q Is that your handwriting?

A No.

MR. GLEKEL: I have no further questions, your Honor.

CROSS EXAMINATION

BY MR. FLEMING:

Q Mr. Pyrpyris, my name is Peter Fleming and I represent Mr. Naslas. Do you recognize him here?

A Yes.

Q Right in the middle there?

A Yes, Mr. Naslas.

Q You say you worked first at Delta Marine?

A Yes, sir.

Q Was that in the marine supply business?

A Yes.

Q Was that paints, things for ships?

A Different supplies.

Q Did Mr. Naslas run that business?

A Yes. He hired me.

Q Excuse me?

hph 2 Pyrpyris-cross

A He hired me.

Q He hired you?

A Yes.

MR. FLEMING: I don't have anything ese. Thank you.

THE COURT: Thank you. You may be excused.

(Witness excused)

MR. MARMARO: The government calls Edmond Morel.

E D M O N D M O R E L, called as a witness, having been duly sworn, testified as follows:

MR. MARMARO: Mr. Fleming is writing a note, your Honor.

THE COURT: The reporter may copy this into the record. The objection is overruled.

(Note from Mr. Fleming: "Repeat objection on collateral estoppel. Understand this testimony offered on bribery grounds.")

b2

DIRECT EXAMINATION

BY MR. MARMARO:

Q Mr. Morel, how are you employed?

A I work for the Bank of America.

Q Where is that located?

A 41 Broad Street, New York.

Q And for how long have you been employed at the Bank of America?

A 25 years.

Q I show you what has been marked as Government's Exhibit 3-B in evidence and ask if you recognize this document?

A This is an authorization for payment of $15,000 to be debited to the account of Galazy Steamship Company for payment to our office in Curacao, Netherland, and for a payment to the master of the motor tanker Aquario.

Q How was that payment made?

A By cable. We transferred the funds from New York to Curacao by cable.

Q Does your name appear on this?

A It does.

Q In what capacity?

A The person authorizing the payment.

Q Who requested the payment on this money? Does that appear?

A Mr. Naslas.

Q And what is the date?

A January 6, 1972.

Q I show you what has been marked as Government's Exhibit 10-B in evidence and ask if you recognize 10-B.

A This is a monthly statement of the account of the Galaxy Steamship Corporation, dated January 31, 1972. It indicates the payment that I just referred to as being debited to the account on -- let's see-- January 5th.

Q What account would that be?

A Galaxy Steamship Corporation.

Q I show you Government's Exhibit 3-A in evidence and ask if you can identify this exhibit.

A This is an authorization for a payment of $10,000 to be transferred by cable to Bank of America, Wilhelmstat, Curacao, for payment to be made to Captain Abbetellos by order of Galaxy Steamship Corporation. The person who took the authorization was Jose Lorrendo and I approved the transfer of funds.

Q Transfer by cable to --

A That's right.

Q From what account?

A Galaxy Steamship Corporation.

Q What was the date?

A February 9th.

Q I show you Government's Exhibit 10-A in evidence.

A This is a monthly statement for the account of Galaxy Steamship Corporation dated February 29, 1972,

and it indicates a debit to the account on February 9th, of $10,000.

Q Does that debit refer to --

A For a payment to the Bank of America, Wilhelmstat.

Q Can you tell from Exhibit 3-A who ordered the cable transfer funds?

A Mr. Naslas.

MR. MARMARO: May I briefly read two of these exhibits to the jury?

THE COURT: Yes.

(Government's Exhibits 3-A and 3-B read to the jury.)

Q Mr. Morel, directing your attention to May of 1971, were you present at a closing involving a vessel named the Tekton?

A Yes, I was.

Q In what capacity were you acting?

A Representing Bank of America in London.

Q What were your duties at that closing?

A I was to give over the funds on completion of the necessary formalities for the purchase of the vessel.

Q And who, if anyone else, was present at that time?

A Mr. Merala, from our office, Mr. Barnett, an

attorney, James Hanlon, the attorney for Tidal Marine, Costas Naslas, the commissioner, and I think a lawyer for the seller. I don't know his name.

MR. MARMARO: Nothing further on direct, your Honor.

THE COURT: Any cross?

MR. SPRIZZO: Just a couple of questions.

CROSS EXAMINATION

BY MR. SPRIZZO:

Q You know Mr. Naslas, do you not?

A I do.

Q How long have you known him?

A Since around 1970, thereabouts.

Q And you have had dealings, business dealings with him at the bank?

A Yes.

Q Has Mr. Naslas ever asked you during all the time you know him to do anything improper?

A Never.

Q Has he ever offered you any gifts of any kind?

A Never.

Q Has he ever offered you any money?

A Never.

MR. GLEKEL: Objection.

THE COURT: Sustained. Strike it out.

MR. SPRIZZO: No further questions.

THE COURT: You are excused.

(Witness excused)

MR. GLEKEL: At this time the government offers Exhibit 900-V for identification into evidence. It is a chart.

THE COURT: This is merely a summary of the documents in evidence, is it?

MR. GLEKEL: Yes, your Honor. The exhibit numbers are indicated next to each entry.

THE COURT: And is offered for convenience?

MR. GLEKEL: That's all.

THE COURT: Not as independent evidence?

MR. GLEKEL: No, your Honor.

THE COURT: All right.

This may be copied into the record, handed to me by Mr. Fleming.

The objection is overruled. The chart is received.

(Government's Exhibit 900-V for identification

gwh

xx received in evidence.)

"We object. It is simply a summary of this last evidence just given."

MR. GLEKEL: May I read the entries to the jury, your Honor?

THE COURT: Yes.

MR. GLEKEL: There are four columns on this chart. On the left, an indication of the date. The next column--

THE COURT: On the right you are indicating the exhibit in evidence which justifies this summary; is that right?

MR. GLEKEL: Yes. Next to each entry the exhibit number supporting the particular item referred to is listed by number.

The second column refers to checks made out to cash, signed by Costas Naslas and drawn on National Bank of North America accounts.

Beneath this two checks are listed. The first one by date of January 6, 1972, is listed a check of $20,000 endorsed by Paul Katritsis.

The second such check is dated January 28, 1972, again for $20,000, endorsed by Pyrpyris Panaotis.

The right-hand column, the heading is location of Aquario, and corresponding to January 6, 1972, the

location is indicated as being Curacao.

Corresponding to January 28, 1972, the location is also indicated as being Curacao.

The next column lists Bank of America cash to master wire transfers by order of Costas Naslas. Two such transfers are listed on this chart, the first one on January 5, 1972, a transfer of $15,000 from Bank of America New York to Bank of America Wilhelmstat, Curacao. The entry corresponding to that under location of Aquario is Puerto Miranda.

The second wire transfer is $10,000 on February 9, 1972, from Bank of America New York to Bank of America Wilhelmstat, Curacao. The location of the Aquario at this time is indicated as Curacao.

That concludes the entries on this chart.

THE COURT: All right.

Next witness.

MR. GLEKEL: The government calls Stephanos Dallas.

S T E P H A N O S D A L L A S, called as a witness on behalf of the government, after having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. GLEKEL:

Q Sir, directing your attention to 1971 and 1972, how were you employed at that time?

A All I know is I took some photos that date.

Q Would you please keep your voice up. It's necessary that all the jurors hear you.

A Yes. Did you ask me about --

Q The question is --

THE COURT: What was your occupation at that time?

THE WITNESS: Freelance photographer.

Q Did a time come when you were asked to take some pictures of a party given by Tidal Marine?

A Yes, they asked me and I took some pictures.

Q Who asked you to do this?

A The company, Mr. Naslas, I suppose from the company.

Q What kind of party was this?

A I don't know exactly, but it was a party. It was a New Year eve party, something like that.

THE COURT: A social party?

THE WITNESS: Yes.

THE COURT: Social party?

THE WITNESS: Yes. I'm not sure about if it was social -- it was a party for the company. That's what I know, sir.

Q Was it around New Year's eve?

A Yes.

Q Was this the only party of Tidal Marine's at which you took pictures?

A Yes.

Q After the party did you ever deliver the pictures that you took at the party to anyone?

A Yes, I deliver.

Q To who?

A I deliver it to that company downtown.

Q Who at the company?

A I don't remember the name.

Q Who asked you to take the pictures?

A. Mr. Naslas.

Q Let me show you Government's Exhibit 180 in eviden which is an envelope bearing on the left-hand corner he printing, "Staphanos Dallas, photographer, 712 Ninth Avenue," and then the address continues.

Let me ask you whether you recognize this envelope.

A Yes, I recognize. It belong to me. Yes, I recognize it.

Q What kind of envelope is it?

A What do you say?

Q What kind of envelope is it?

A This is an 8 by 10 envelope or 8-1/2 by 11 envelope.

Q What did you use this type of envelope for?

A To put pictures.

Q Let me show you Government's Exhibits 168 through 179 in evidence, a series of pictures, and ask you whether these are the pictures you took at the party?

A Yes, I took those pictures.

MR. GLEKEL: No further questions, your Honor.

THE COURT: Any cross?

MR. SPRIZZO: Just briefly.

CROSS EXAMINATION

BY MR. SPRIZZO:

Q Mr. Dallas, was that the first time you did work for Tidal Marine?

A Yes.

Q Was that the only time you did work for Tidal Marine?

A Yes.

Q I believe you testified on direct examination about this being -- was it a Christmas party?

A Yes, something, New Year's eve, Christmas. I don't remember exactly, but it was at that time, at that time before New Year's eve.

Q It could have been a Christmas party?

A Yes.

Q When you took the pictures at the party, what did you do when the party was over?

A What you say?

MR. SPRIZZO: Strike that.

Q How soon after you took the pictures did you develop them?

A About -- it took me five to twenty days. As I remember now better, it took me less, a few days.

Q How many days?

A Say from 1 to 10 days. 3 days must be the exact time. I don't remember about it.

Q So --

A I told him I don't remember. I don't keep any records about. I don't know. Now I can say again that t was much less the time.

Q In other words, your present recollection is that it was a period of certainly no more than ten days that you had these pictures developed; is that correct?

A Yes, it is.

Q What did you do with the pictures when you developed them?

A What I did with the pictures?

Q Yes.

A Took the pictures with me and I go downtown to the company and I left it there. I gave the bill. They send me the check.

Q So your best recollection is that these photos were delivered to Tidal Marine within about 10 or 12 days after they were taken?

A Less, less.

Q Maybe less?

A Three days, two or three days, four.

(Defendants' Exhibit R marked for identification.)

Q Mr. Dallas, would you look at that exhibit.

A Yes.

Q Are you familiar with that newspaper, by the way?

A Yes, I am.

Q That's a Greek language newspaper?

A Yes.

Q Where was it published say in 1971?

A Where was it published?

Q Yes, in the United States or in Greece?

A He travels. He used to stay -- as I know, he lives at 415 52nd Street, East Side. I know that because I work with him.

Q You work with him?

A Yes. I used to work with him. He used to travel to Greece. He used to travel. He used to travel to Greece. That's what I know.

Q That newspaper that you got in front of you, do you know whether or not that was circulated in the United States as well as in Greece?

A As I know, it circulates in the United States and in Greece, too.

Q Do you recognize the photograph you took as appearing in that newspaper?

A Yes.

B p.m. gwlt 1 Dallas-cross

Q Did you send the photograph into that newspaper?

A No, when I take photos, I go to -- I go and I see him and he checks which ones he wants and he checks those.

Q So --

A I don't send them photos.

Q Your best recollection is that you may have or you did give him a copy of the photograph which appears in that newspaper?

A Yes. He puts -- he goes to all -- he has a circle of Greeks and they make parties. He follows them. He publishes all these pictures.

Q The photo that appears in that newspaper is a photo you took at the Tidal Marine party, is that correct?

A Yes. I see my name. I cannot remember exactly. I see my name there, it must be mine.

Q Your name does appear in Greek?

A I see my name in English.

Q A lot of it is in Greek, and I couldn't read most of it.

A It must be.

MR. SPRIZZO: I would like to offer this in evidence.

Q This does appear under the caption "Christmas

Party," is that correct?

A I didn't read it.

Yes.

MR. SPRIZZO: I offer that photo in evidence, your Honor.

(Pause.)

MR. SPRIZZO: I offer the whole paper in evidence.

MR. GLEKEL: The government objects to putting an entire newspaper in evidence even if it is in Greek. We have no objection to the picture or to stipulating that the picture from the party appears in the newspaper. I don't thin it is appropriate to offer--

THE COURT: But you don't want to take a chance on the Greek?

Mr. Fleming is the one who is pressing for the page.

MR. FLEMING: I just want the date.

Q Since I don't speak Greek, Mr. Dallas, is it correct to say that appears in the January 1972 issue of this newspaper?

A Yes.

MR. SPRIZZO: All I think we really need offer is the photograph and the date.

THE COURT: When does that January paper come out,

1090

gwlt 3 Dallas-cross

do you know?

THE WITNESS: The date, you mean?

THE COURT: Yes. When does it actually issue? Apparently it is not a daily.

THE WITNESS: No, it is monthly.

THE COURT: Monthly?

THE WITNESS: Yes.

THE COURT: Does it come out after the end of the month?

THE WITNESS: It isn't an exact time, the 1st, 3rd, 4th, 5th days. About the middle of the month.

THE COURT: All right.

Q About the middle of the month?

A About the middle of the month, I suppose.

MR. SPRIZZO: I have no further questions.

THE COURT: Received. The picture and the date are received.

MR. SPRIZZO: And the caption "Christmas Party"?

THE COURT: And "Christmas Party" and the gentleman's name on the page.

MR. SPRIZZO: Can we show this to the jury?

THE COURT: Is there anybody on the jury who can read Greek?

(Defendant's Exhibit R was received in evidence.)

gwlt 4 Dallas-cross

THE COURT: Do you want anything further of this gentleman?

MR. GLEKEL: I have no thing further, your Honor.

MR. SPRIZZO: One moment, your Honor.

(Pause.)

MR. SPRIZZO: No further questions, your Honor.

THE COURT: Thank you very much, you are excused.

MR. SPRIZZO: One more question, your Honor.

BY MR. SPRIZZO:

Q Since we don't read Greek, did you have a chance to tell whether or not that newspaper contains the Christmas message of the Bishop?

A Say it again, slowly. I didn't understand you.

Q The Bishop's Christmas message, does that appear in that newspaper? Did you have a chance to notice that?

A I didn't read it. I didn't see the paper. Maybe it is.

MR. SPRIZZO: I have no further questions.

THE COURT: Thank you.

(Witness excused.)

MR. GLEKEL: Shall I call my next witness, your Honor?

THE COURT: Yes.

MR. GLEKEL: Anthony Ventimiglia.

ANTHONY VENTIMIGLIA, called as a witness on behalf of the government, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. GLEKEL:

Q Sir, how are you employed?

A By American Express.

Q What do you do for American Express?

A I'm an accountant.

Q Are you familiar with the procedures for purchasing American Express Travelers Checks?

A Yes, I am.

Q What is the procedure?

A Travelers Checks are sold by banks. An individual goes to a bank and the bank will prepare a purchaser application where they will list the Travelers Checks issued to go with the full name and address and signature of the purchaser.

Q Is American Express notified of the purchase of Travelers Checks and of the cashing of Travelers Checks?

A Yes, the selling bank will send to American Express the original purchase or application to go with the funds collected.

Q What about when the Travelers Checks are cashed,

are redeemed, is American Express notified of that?

A Yes, all paid Travelers Checks come into New York.

Q Does American Express maintain records of checks sold and cashed?

A Yes.

Q Has American Express conducted an investigation to determine whether Travelers Checks in $500 denominations were purchased from the First National Bank of Boston and National Westminster Bank by Harry Amanatides?

A Yes.

Q What were the results of that investigation?

A Well, there were sales of Travelers Checks made. Some of the checks had been paid by American Express and other Travelers Checks remain outstanding.

Q Of these checks, how many remain outstanding?

A In one sale, five, another sale, six.

Q Is the First National Bank of Boston five and the National Westminster Bank seven?

A Yes.

Q Is it six or seven from the other bank?

A Six.

Q Let me show you Government's Exhibit 165 in evidence and direct your attention to the purchase order that

appears on top that is dated March 3, 1972 and indicates the purchase of a number of $500 Travelers Checks.

A Yes, there are sixteen $500 Travelers Checks issued on March 3, '72 and thirty $500 Travelers Checks issued on March 27, '72.

Q Sticking with the March 3rd entry only, how many are outstanding, still outstanding from that batch?

A I have to refer to notes.

MR. GLEKEL: May the witness refer to his notes, your Honor?

THE COURT: Yes.

A There are seven outstanding.

Q There are seven outstanding checks from that batch?

A Yes, seven.

Q From the other batch purchased at First National Bank of Boston there are five outstanding?

A I'm sorry. I don't have the sale here.

Q Let me refer you to Government's Exhibit 167 and address your attention to a sale on December 15, 1971 of a series of Travelers Checks in $500 denominations which you will see next to the paper clip that I have affixed to the exhibit.

A Yes, five Travelers Checks remain outstanding.

gwlt 8 Ventimi[illegible]a-direct

Q Let me show you Government's Exhibit 187 which consists of six Travelers Checks in $500 denominations which are blank and bear serial numbers G.A. 11419155 through 160, and I ask you sir, whether these eight travelers checks are among the twelve outstanding.

A Yes, they are.

Q And there are six others in addition to these?

A Yes.

Q During the course of American Express' investigation, was it determined whether Harry Amanatides purchased any Travelers Checks from Williams & Glyn's Bank in London on June 30, 1972?

A Yes, he purchased one hundred $100 Travelers Checks.

Q Would that total $10,000 worth of Travelers Checks?

A Yes.

Q Did your investigation include determining whether these checks have been cashed?

A Yes.

Q Were any of these checks cashed by James Hanlon?

A Yes.

Q How many?

A Seventy-five.

Q That would be $7,500?

A Yes.

Q Were these checks purchased by Harry Amanatides?

A Yes.

MR. GLEKEL: No further questions, your Honor.

THE COURT: Any cross examination of this witness?

CROSS EXAMINATION

BY MR. FLEMING:

Q Mr. Ventimiglia, how do you go about purchasing a Travelers Checks without signing it?

A Travelers Checks are supposed to be signed at the time that you purchase them.

Q How do you purchase them without signing them?

A Well, this is -- depends on the selling bank. We gave them instructions that they are to have the purchaser sign the check when they leave the bank.

Q But, to your knowledge, selling banks do not follow that invariably?

A Yes.

Q In other words, to your knowledge, banks do sell Travelers Checks without forcing the purchaser to sign the check?

A Yes.

Q I see.

MR. FLEMING: Thank you.

MR. GLEKEL: Just one question.

REDIRECT EXAMINATION

BY MR. GLEKEL:

Q Based on your experience, are the situations when a bank permits the purchase of Travelers Checks without making the customer sign situations when the customer is well known to the bank?

A Yes.

MR. GLEKEL: Nothing further, your Honor.

THE COURT: Thank you very much, you are excused.

(Witness excused.)

MR. GLEKEL: Your Honor, the government has a number of exhibits which we would like to read to the jury which have not previously been read.

THE COURT: All right.

You have no more live witnesses?

MR. GLEKEL: I don't believe so, your Honor, no.

MR. MARMARO: I am reading from Government's Exhibit 282 in evidence. The individual items have been marke for identification and I will state them for the record as I come to them.

3A p.m. hplt 1

MR. MARMARO: The first item is 282E.

(Mr. Marmaro read from Government's Exhibit 282E in evidence to the jury.)

MR. MARMARO: The next item has been marked as 282F.

(Mr. Marmaro read from Government's Exhibit 282F in evidence to the jury.)

MR. MARMARO: The next item I will read is Government's Exhibit 270A in evidence.

(Mr. Marmaro read from Government's Exhibit 270A in evidence, to the jury.)

MR. MARMARO: The next document is part of Government's Exhibit 270 in evidence.

(Mr. Marmaro read from Government's Exhibit 270 in evidence to the jury.)

MR. MARMARO: The next exhibit is Government's Exhibit 803 in evidence.

(Mr. Marmaro read from Government's Exhibit 803 in evidence to the jury.)

MR. MARMARO: The next item is Government's Exhibit 410B in evidence.

(Mr. Marmaro read from Government's Exhibit 410B in evidence to the jury.)

MR. MARMARO: The next item I want to direct

your attention to is Government's Exhibit 103 in evidence.

(Mr. Marmaro read to the jury from Government's Exhibit 103 in evidence.)

MR. MARMARO: The next item is Government's Exhibit 388 in evidence.

(Mr. Marmaro read to the jury from Government's Exhibit 388 in evidence.)

MR. MARMARO: The next exhibit is 387 in evidence.

(Mr. Marmaro read to the jury from Government's Exhibit 387 in evidence.)

MR. MARMARO: The next exhibit is Government's Exhibit 104 in evidence.

(Mr. Marmaro read to the jury from Government's Exhibit 104 in evidence.)

MR. MARMARO: The next item I am going to read is part of Government's Exhibit 268 in evidence. It has not been marked for identification but with the Court's permission I will mark it 268A for identification.

(Government's Exhibit 268A was marked for identification.)

(Mr. Marmaro read to the jury from Government's Exhibit 268A.)

MR. MARMARO: The next item I am reading is from Government's Exhibit 13 in evidence. This item has been

marked separately 13E for identification.

(Mr. Marmaro read to the jury from Government's Exhibit 13E in evidence.)

MR. MARMARO: The next item I am reading from is contained in Government's Exhibit 40 in evidence. It has been marked separately as 40P for identification.

(Mr. Marmaro read to the jury from Government's Exhibit 40P in evidence.)

MR. MARMARO: The next item is also contained in Government's Exhibit 40 in evidence. It has been marked for identification.

(Mr. Marmaro read to the jury from Government's Exhibit 40 in evidence.)

MR. MARMARO: The next item is also part of the same file, which is 40 in evidence, and it has been marked as 40S for identification.

(Mr. Marmaro read to the jury from Government's Exhibit 40S in evidence.)

MR. MARMARO: The next item is part of Government's Exhibit 40 as well, it is 40T for identification.

(Mr. Marmaro read to the jury from Government's Exhibit 40T in evidence.)

MR. MARMARO: Your Honor, at this time the government would like to offer into evidence 1109 for identification.

In the meantime, I will read, with the Court's permission, Government's Exhibit 4H in evidence.

(Mr. Marmaro read to the jury from Government's Exhibit 4H in evidence.)

THE COURT: Mr. Marmaro, are you offering the entire telex? There is some objection here on the ground of relevancy. Is everything on this telex being offered?

MR. MARMARO: Not everything. Certain portions are. Perhaps I can delineate portions we are offering.

THE COURT: Will you do that and show it to Mr. Fleming? Just black it out lightly in pencil what you propose to omit from your offer of that paper.

MR. FLEMING: Same note, your Honor.

THE COURT: The objection, I take it, is solely on relevance, is that right?

MR. FLEMING: Yes, your Honor.

THE COURT: The objection to the portion which has not been excluded by the pencil marks is overruled. That portion of the document not marked is received in evidence.

(A portion of Government's Exhibit 1109 was received in evidence.)

(Mr. Marmaro read from Government's Exhibit 1109 in evidence to the jury.)

THE COURT: I should have added, of course, that

Exhibit 1109, to the extent allowed, is received subject to connection.

MR. MARMARO: The next exhibit is Government's Exhibit 35 in evidence. I will refer to a portion of that exhibit which has been marked 35E for identification.

(Mr. Marmaro read to the jury from Government's Exhibit 35E in evidence.)

MR. MARMARO: The next item I will read from is Government's Exhibit 34 in evidence, and I will read from 34D.

(Mr. Marmaro read to the jury from Government's Exhibit 34D in evidence.)

MR. MARMARO: The next exhibit is a copy of a letter dated 4th January, 1971, Government's Exhibit 299A in evidence.

(Mr. Marmaro read to the jury from Government's Exhibit 299A in evidence.)

MR. FLEMING: Your Honor, I guess I wasn't paying attention. I didn't notice this didn't have a signature. I object to it.

THE COURT: I don't know what all this comment is.

MR. FLEMING: The document does not have a signature. I object to it.

hplt

MR. MARMARO: This has been previously admitted in evidence, your Honor, at the outset of the government's case.

THE COURT: If it has been admitted in evidence heretofore, it may be read.

MR. MARMARO: The next is 299F in evidence.

(Mr. Marmaro read to the jury from Government's Exhibit 299F in evidence.)

MR. MARMARO: The next item is Government's Exhibit 299G in evidence.

(Mr. Marmaro read to the jury from Government's Exhibit 299G in evidence.)

MR. MARMARO: This is part of Government's Exhibit 9 in evidence. It will be marked Government's Exhibit 9E in evidence.

(Mr. Marmaro read to the jury from Government's Exhibit 9E in evidence.)

MR. MARMARO: The next item is Government's Exhibit 406B.

(Mr. Marmaro read to the jury from Government's Exhibit 406B.)

MR. MARMARO: The next exhibit is 406A in evidence.

(Mr. Marmaro read to the jury from Government's

Exhibit 406A in evidence.)

MR. MARMARO: The next item is Government's Exhibit 378 in evidence.

THE COURT: This document has not been offered, has it?

MR. GLEKEL: It has, your Honor.

MR. SPRIZZO: We reserve our objection as to relevancy and --

THE COURT: Sustained.

Mark it.

(Government's Exhibit 378 was marked for identification.)

MR. GLEKEL: Your Honor, it goes with 379. I would like to write a note on it.

THE COURT: I reverse the ruling I just made in the light of the fact that Mr. Hanlon signed Exhibit 379, which is related to 378 and both together are admitted in evidence.

(Government's Exhibits 378 and 379 were received in evidence.)

MR. MARMARO: I will read a very brief portion of this.

(Mr. Marmaro read from Government's Exhibit 378 in evidence to the jury.)

MR. MARMARO: The next is Government's Exhibit 379. I will read part of it.

(Mr. Marmaro read from Government's Exhibit 379 in evidence to the jury.)

MR. MARMARO: The next is Government's Exhibit 14 in evidence.

(Mr. Marmaro read from Governemnt's Exhibit 14 in evidence to the jury.)

hph

T3B

MR. MARMARO: The next item is Government's Exhibit 14-A in evidence.

(Government's Exhibit 14-A read to jury.)

MR. MARMARO: The next item is Government's Exhibit 22 in evidence.

(Government's Exhibit 22 read to jury.)

MR. MARMARO: The next item is Government's Exhibit 408.

(Portions of Government's Exhibit 408 read to jury.)

MR. MARMARO: The next item is Government's Exhibit 102 in evidence.

(Portions of Government's Exhibit 102 read to the jury.)

MR. MARMARO: Your Honor, the next exhibit I wish to mention is 182, which is the response from redit Swiss letters rogatory. Shall I explain briefly to the jury how this exhibit came to be here?

THE COURT: I think the only explanation you need to make to the jury is that questions were under lawful process sent abroad for answers and answers were taken under lawful process and the questions and answers so taken were returned to the court. These are known as letters rogatory.

Anything else?

MR. MARMARO: No, your Honor.

THE COURT: Such things are returned under seal. That is the explanation of the ribbons and the seal attached

(Portions of Government's Exhibit 182 read to jury.)

(Government's Exhibits 181-B, 181-A, 181-C read to jury.)

MR. MARMARO: The following are three exhibits I would like to bring to the attention of the jury: Exhibits 451, 450 and 258.

(Portions of Exhibits 450, 258 and 451 read to the jury.)

THE COURT: As to Exhibit 299-A, I want to draw your attention to the fact that that was received subject to connection, as to relevancy, and applicability, which means applicability in the circumstances still remains to be received subject to connection. It is not forgotten that Mr. Fleming called to my attention the matter when you read that unsigned version of January 4, 1971. That is the way the matter stands at the present time. I think that is what you had in mind, isn't it, Mr. Fleming?

MR. FLEMING: Yes, sir. That's the unsigned letter.

MR. GLEKEL: Your Honor, the government wishes to offer certain exhibits into evidence and Mr. Fleming wishes to hand over a note objecting to them. The government wishes to hand over a short note on the matter as well.

THE COURT: I have read your memorandum on this subject, and I take it that your note--

MR. GLEKEL: No, your Honor, there is an additional ground which is not included in the memorandum.

THE COURT: All right, let me see what they are.

I think while this exercise in handwriting is going on, the jury may take a short recess.

(Jury left)

(Recess)

(Resumed. Jury present)

MR. GLEKEL: Your Honor, the government rests its direct case.

THE COURT: Ladies and gentlemen, I will ask you to excuse yourselves for five minutes. I'm sorry. The government has completed its case and the lawyers would like to talk to me about some legal matters with which you have no concern. We will call you back shortly.

(Jury left)

MR. FLEMING: Your Honor, before I argue the

hph 4

motions to dismiss various counts, when Mr. Dallas was on the stand and the newspaper was introduced, the January, 1972, issue of the newspaper, your Honor asked a leading question as to whether this newspaper was published after January, to my recollection.

THE COURT: In January.

MR. FLEMING: My recollection is your Honor asked a leading question whether this newspaper was published after the month of January. I know of no publication that is published after the month that it is dated. I think your Honor's comments was an attempt to extract an answer which would be prejudicial on an important piece of proof.

THE COURT: I think that, Mr. Fleming, rises to the height of some of the absurd suggestions that have been made on your end of the stick, whether by you or Mr. Sprizzo. You offered a piece of paper that did not have a day in it but had a month and it was perfectly appropriate to find out, because you were asking for a significant date, to find out when the publication occurred. I would have thought that your representation as an officer of the court would have welcomed that kind of a suggestion.

MR. FLEMING: I agree it was to determine--

THE COURT: If you have any motion in connection

with it, what is it?

MR. FLEMING: Motion for mistrial.

THE COURT: Denied.

MR. FLEMING: Count 10, we move to dismiss, your Honor. This count alleges a scheme to defraud the Bank of North America in connection with the loans on the Ilion, Harilion, Krilion and Marilion. It alleges a misrepresentation to the bank as to the purchase price and an assignment of charter hire by the purchasing companies when, in fact, no charters in two cases existed.

There is absolutely no evidence in the record that I have heard tending to show Hanlon, who is the only defendant on trial charged in connection with this scheme, or in fact any other defendant named conspirators in connection with this count, wire fraud, or any other participants misrepresented the purchase price to the .ational Bank of North America. Most of all, there is absolutely no evidence, to my recollection, tending to show that Hanlon misrepresented the purchase price, Hanlon knew the purchase price had been represented or that he knew that any of the charters did not exist, were false or fictitious or anything of that sort.

THE COURT: Before you go on, it is now 4:30. I see no reason why we should detail the jury at this hour.

We will recommence tomorrow morning at 9:30 and I will instruct the clerk to notify the jury that they are dismissed for the day, unless you want me to have them in here and dismiss them myself.

What is your pleasure about that?

MR. FLEMING: I have no objection, your Honor, to having the clerk letting the jury go home. I would like to start--

THE COURT: That's the first thing we will deal with.

MR. FLEMING: I would like to start at the ordinary starting time, 10 o'clock.

THE COURT: The ordinary starting time is 9 o'clock in this courthouse.

MR. FLEMING: It has not been in this trial. We must now put on the stand, if we choose to go forward, men who are defendants themselves against serious charges--

THE COURT: Are you telling me it would be inconvenient to commence the proceedings at 9:30 tomorrow in the light of the fact that we are still a half hour away from closing time today? Is that your point?

MR. FLEMING: It is my point, your Honor, that it is inconvenient and unfair to give the jury the protracted day when the defendants are testifying.

THE COURT: I was talking about the starting hour.

All right, Mr. Fleming, there are many comments that I think I will address to you at the close of the trial which have nothing at all to do with the present situation. You may excuse the jury, Mr. Clerk, until 10 o'clock tomorrow.

(Jury excused)

THE COURT: Have you completed your statement on count 10?

MR. FLEMING: The evidence on count 10 is in October, 1970, Hanlon informed a Liberian company, Unimar Sea Transport GMBH Limited the purchase price of the four ships as represented in the NBA --

THE COURT: If you are reading something, you might as well give it to me because you are rattling it off so fast, I can gain no comprehension. If you want me to hear it and understand it, I suggest you deliver it to me in the form in which I can comprehend it. If you want to recite something --

MR. FLEMING: I will simply say with regard to count 10, I think the record is bare of any evidence, any knowledge of Mr. Hanlon's part of misrepresentation alleged, to wit, a misrepresentation as to the purchase price and assignment of the charter here when in fact no.

hph

charters existed. That is my application on count 10, that is, no evidence of knowledge.

With regard to counts 18 and 22, these counts bear upon an alleged scheme to defraud the Bank of America by a misrepresentation of the purchase price of the Trechon. This is based, to my understanding, upon the testimony of Mr. Bustard. He was the first witness in the case and he testified in support of the allegation in the indictment that the purchase price was represented to the bank and to him personally as having been 5.5 million dollars when, in fact, there has been evidence to show that that was not the purchase price. Mr. Bustard testifie specifically that the representation was made to him by Livas, and Amanatides, that it was made orally or that he might have made some note on it which no longer exists and Mr. Hanlon was not present. I know of no evidence in he record to establish, to support that Mr. Hanlon was aware that Mr. Amanatides or Mr. Livas or anyone else had represented to Mr. Bustard or to anyone at the bank-- actually, I think it was the Bank of America that the purchase price of that vessel was 5.5 million and therefore again on the absence of any evidence of knowledge on the part of Mr. Hanlon, with regard to the only misrepresentatio alleged in that count and the total absence of any evidence

that he made the misrepresentation himself, I ask that that count be dismissed.

Count 36 charges conspiracy. It has to do with six ships financed in August of 1971.

A p.m.

gwlt 1

The false statement alleged by the government in this transaction is that it was represented to the National Bank of North America that Mark Scufalos was seeking a loan to acquire the interest of his partners in six vessels. There is no evidence that Mr. Hanlon made such a statement, there is no evidence that any such statement was made in his presence and Mr. Scufalos , to my recollection, testified tha he did not tell Mr. Hanlon that he had made such a represen tation to Mr. Metzger.

So again, your Honor, with regard to Count 36, which bears upon a conspiracy having to do with the six ships financed in August of 1971, we submit that there is absolutel no evidence of knowledge on the part of Mr. Hanlon of the only misrepresentation that is charged and the misrepre- sentation which forms the basis for the allegation of conspiracy.

Now, with regard to Count 51, it involves the Tekton and the Tropis, which my recollection with the two vessels financed on December 24, 1971 at the Bank of North America. It charges Hanlon, Naslas and Katritsis.

Now, there are two allegations in the indictment as to falsity. The first is that Katritsis signed an assign- ment of charter hire, and the allegation is that there was a false charter on that loan and that he assigned the charter

hire from a false charter.

On that point there is no evidence that Katritsis -- there is evidence that Katritsis signed the document, there is no evidence that Katritsis knew that the charter was false. We do not believe that the government can proceed on the pure recklessness with regard to any of these counts, since it seems to me it is their obligation to come forward with proof to establish recklessness and they have not come forward with proof to establish recklessness.

The other false statement which is alleged is the allegation on the addendum to what has been called the interest equalization letters, the interest equalization letters again signed by Mr. Katritsis.

There is an addendum which represents that 100 percent of the outstanding shares of the Aries and the Pisces have been owned by Union Commercial Shipping Corporation for one year. That addendum is in evidence and there is evidence that the Aries and the Pisces were not owned by Union Commercial Shipping Corporation, but instead were owned by I believe Galaxy, to my recollection.

There is no evidence in this record to establish that Katritsis knew this or, in fact, even saw it since the addendum is attached to the equalization letter and, to my recollection, his signature appears prior to the addendum.

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y.

If my recollection of that count is correct, your Honor, the only evidence in that count is that Katritsis signed these two documents. I know of no evidence supportin the charge against Naslas and there is no evidence supportin the charge against Hanlon. In fact, in the government's request to charge with regard to this count, if my recollection is correct, they contend that Katritsis is guilty because he signed the interest equalification letter which had the addendum attached and because he signed the assignme of the charter hire.

All they say with regard to Hanlon is that their contention is that Hanlon appeared as the attorney at the closing.

So again we think the record is totally absent of any evidence of knowledge of falsity or fraud on the part of the defendants charged in that count.

Counts 56 and 57 are simply false statement counts and they charge that Hanlon and Katritsis made a false statement, and the false statement charge is that 100 percent of the shares of the borrowing corporations, the Aries and the Pisces, were owned by Union Commercial Shipping Company for one year.

Now, the argument is the same. There is in evidence an equalization letter signed by Katritsis which

bears an addendum which says that Union Commercial Corporation owns the Aris and the Pisces, but there is no evidence that Katritsis saw that statement since it is an addendum and, two, there is no evidence to show that Katritsis knew that the Union Commercial Corporation did not own the Aris and the Pisces.

There is no evidence whatsoever with regard to Mr. Hanlon on that count that I am aware of. In fact, I believe the government again in its contentions and its requests to charge argues only that Hanlon was present at the closing as an attorney.

Counts 58 and 59 --

THE COURT: You say the government argues that Hanlon was present only as an attorney? Is that the government's argument?

MR. FLEMING: As I recall the government's contentions as contained in their requests for your Honor to instruct on this count, they say in essence the government contends that Katritsis is guilty because he signed the equalization letter and they say Hanlon was present at the closing as the attorney.

THE COURT: That is a little different than what you said before.

MR. FLEMING: I misspoke then.

Counts 58 and 59 charge a false statement against Katritsis and it is that Katritsis made a false statement by signing the charter assignments, that is the assignments of hire, on the Tekton and the Tropis.

The only evidence in this case is that he did sign the assignment of hire and that, as Mr. McKenzie stated, the charter whose hire he was assigning was not a BP charter, it was a raised charter basically from three to five years. We do not contest the fact that the charter was not a good charter. There is no evidence that Paul Katritsis knew that when he signed the assignment of the charter hire.

Moreover, I should add that the counts itself, the statements which are the subject of these counts, make no reference to the term of the charter and, therefore, the statements are literally true because they refer only to the fact that there are BP charters on these two vessels, and I believe that was correct. So they are literall true without regard to questions of knowledge on Katritsis' part.

Now, count 62 alleges conspiracy with regard to the Aris and it has to do with the false charter which has been called the Wintershall AG charter. Naslas is the only defendant named. It has been proved that the

Wintershall AG charter, proved by stipulation, that the Wintershall charter for a period of 60 months was not a true charter.

The only evidence of knowledge against Naslas with regard to that fact is that he witnessed Amanatide's signature on the genuine Wintershall charter which was a three-year charter. There is no other evidence that Naslas knew that the charter which was submitted, the raised five-year charter, was false.

We submit, that the mere fact that someone that acts as a witness to another man's signature is not sufficient to allow a jury of reasonable men to infer that he not only witnessed the signature but that he knew the contents of the document that the man whose signature he was witnessing was signing. It is only upon such an inference that Mr. Naslas could be held to knowledge that the original charter was three years, and, therefore, that the five-year charter was false. Again we see no evidence of knowledge in connection with that count.

Count 63 is a false statement against Naslas alone. It has to do with the five-year Wintershall charter connected with the Aris financing, and for the reasons I have just given with regard to count 62, the conspiracy count, we ask that that be dismissed for

the absence of any evidence, sufficient evidence to allow reasonable men to infer that Mr. Naslas had knowledge that the five-year Wintershall charter was false.

Count 65 is essentially the same situation. It alleges a conspiracy. Hanlon, Naslas and Katritsis are named as memebers of the conspiracy.

One allegation of falsity is the use of a five-year BP charter. Again, there is undisputed evidence that that five-year charter was false, in fact, that it had been raised, but there is no evidence that Katritsis or Naslas or Hanlon knew that the documents they signed in connection with that charter -- there is no evidence that Katritsis or Naslas knew that that five-year charter was a false charter, and, therefore, there is no evidence from which it can be found that any representations they made with regard to the genuineness of that charter were false.

Hanlon is alleged to have acted criminally in this conspiracy or in this particular count 65. The allegation against Hanlon is that he sent a letter to Joseph Peter Flemming, who was the borrower's attorney, which stated that the borrowing company had not transacted any business other than to enter into the charter with BP.

I hear Mr. Marmaro say that's not the only evidence. That is the only allegation I see in the indictment. I don't see the evidence or knowledge or falsity in that connection.

Count 66 is a false statement count against Hanlon, Naslas and Katritsis, it again has to do with the five-year BP charter on the Tachys loan.

Again, your Honor, I don't believe there is any evidence in this record, certainly not sufficient evidence to meet the standards in this Circuit to establish that Hanlon or Naslas or Katritsis had knowledge that the charter submitted in connection with the Tachys was false.

Count 75 alleges a false statement by Hanlon. It is in connection with the Tagma closing in June of 1972. Mr. Hanlon's letter states on Monday -- this is the allegation of falsity by Hanlon. It is a letter which he sent to Tublin.

THE COURT: What exhibit?

MR. MARMARO: I think it is 252, but I'm not certain.

22.

MR. FLEMING: May I have it?

It is 22, your Honor. It encloses certain documents for Mr. Tublin and the statement by Hanlon in this letter, which is the basis of this count, is the statement:

"On Monday we shall be able to provide you with the guarantee of Mark Scufalos who is and has been the sole stockholder of the corporation since its organization."

The corporation being referred to there, if I am correct, is Epidavros, which I believe was the purchasing corporation on this loan.

Is that right?

MR. MARMARO: That is correct.

MR. FLEMING: So what they are alleging is that Mr. Hanlon knew that Mr. Scufalos was not the sole stockholder of Epidavros since its organization, and I know Mr. Scufalos got on the stand and said he was not, but I know of no evidence to show that Mr. Hanlon knew that.

Finally, Count 76, a false statement by Hanlon and Naslas is essentially the same. It is another one of these tax equalization letters to which there apparently was an addendum attached saying that the Epidavros was 100 percent owned by Mark Scufalos. It is that statement on the addendum that the Epidavros was 100 percent owned by Mark Scufalos which I believe is alleged to be the false statement which is the basis of Count 76.

And just with Count 75, we see no evidence of knowledge on the part of Hanlon and Naslas that that statement was false.

Essentially, your Honor, we also move to dismiss the other counts in the indictment.

Essentially, it seems to me with regard to all

gwlt

of these counts, for the most part they are based upon signatures that one or another of these defendants signed something which proved to be false in fact, but we do not believe that the fact that someone signed something is sufficient evidence from which a reasonable jury can find beyond a reasonable doubt that that person knew that what he was signing was, in fact, a false statement.

gwh 1

T4B

We cite to your Honor United States v. Lang, 528 Federal 2d at page 1280 and United States v. Squires, 440 F. 2d at 859, which is a Second Circuit case. The Lang case is a Fifth Circuit case. The Lang case had to do with a case which was based essentially upon a signature and the Fifth Circuit in reversing that conviction said that "A violation of 1001 requires proof that the defendant had the specific intent to make a false or fraudulent statement, misrepresentation must have been made deliberately, knowingly and wilfully or at least with reckless disregard of the truth and with a conscious purpose to avoid learning the truth."

Our submission is that a mere signature is not sufficient to establish knowledge of falsity, and with regard to the alternative standard having to do with reckless, your Honor, we believe the government has the burden of establishing on its case sufficient evidence which, if believed, would allow a jury to find beyond a reasonable doubt that these men had acted in a way other than in good faith.

We do not believe they have done that. They have simply proved that documents were signed.

With regard to counts 18 and 22, which are against Mr. Hanlon and which allege a false statement of

gwh 2

the purchase price of the Trechon at 5.5 million dollars, they haven't even have shown that he signed anything.

We would cite to the Court also as analogous, because it is difficult to find authority on the question as to whether a signature of a document which is proved to be false is sufficient to take a jury, we cite to your Honor the case in the libel area which we find to be analogous. Since they talk about the test being that a man has to know what he is saying is false in order to be subject to a libel action if he is talking about a public figure, and they talk about a high degree of awareness of probable falsity. One of those cases is St. Amant v. Thompson, 390 U.S. 727; Nobel v. Garrison at 338 Federal Supplement 977; Gordon v. Random House, Inc., 349 Federal Supplement 919 and Fram v. Yellow Cab Co. of Pittsburgh at 380 Fed. Sup. 1314.

That's our argument basically, your Honor, that with regard to most of these counts, and I have argued each one specifically, what the government has is one of these defendant's signature on a document which has proved to be a false document, and we do not find other evidence, we do not think the signature alone is sufficient, and we do not find in the record sufficient evidence to establish knowledge on the part of these men

qwh3

with regard to these counts, that the statements they were signing were false.

To give you one example, the Aquario count, we are moving to dismiss that. It may provide a more difficult question because there the government has established if the jury believes the testimony, that Mr. Hanlon knew that the charter on the Aquario was two years and nine months, and if the jury believes that he submitted a charter on the refinancing, which was 42 months, and that if the jury believes Mr. Flemming's testimony, that he called Mr. Flemming and told Mr. Flemming that the term of the charter was 42 months. The other situation where a jury could infer knowledge, since Mr. Hanlon had knowledge of the terms of the original charter, and if the jury accepts Flemming's testimony or infers it from the fact that Mr. Hanlon delivered the second charter, the phony charter, which was admittedly phony, and knew also the terms of that charter. There is a case where you can infer knowledge. We don't see evidence like that with regard to the other counts.

May I just have one moment, your Honor?

(Pause)

MR. FLEMING: That is my argument with regard to specific counts, your Honor.

gwh4

We do move for a judgment of acquittal under Rule I believe 29 on all the counts which are on trial before this court.

THE COURT: In other words, yo have no specific reference to counts 58, 67, 68 and the information counts 3, 4 and 5; is that right?

MR. FLEMING: With regard to the information counts, your Honor, we move to dismiss that without specific argument.

58 I did argue, I believe, your Honor. That charges Katritsis with making false statements by signing the charter, the assignments of charter hire on the Tekton and the Tropis, one count for each of the vessels.

Our argument is, while he signed that, there is no evidence that he knew that the charter underlying the assignment of the charter hire was, in fact, false.

THE COURT: I thought you said that was true of 51, not 58.

MR. FLEMING: 51 was the interest equalization letter with regard to Katritsis --

THE COURT: If you want to add that information about 58 specifically. Is that what you are saying?

MR. FLEMING: If I had not covered it, your Honor, I do want to add it.

THE COURT: All right.

What about 67?

MR. FLEMING: 67 is the Aquario. We moved to dismiss that for failure of knowledge on the part of Mr. Hanlon. If I can locate the count, I can be more specific, your Honor.

67 I believe is a conspiracy to make a false statement with regard to the Aquario and 68 is a specific false statement charge, both against Mr. Hanlon.

If my recollection is correct, they allege falsity, they allege that Hanlon assisted making false statement and did make a false statement in that he presented a 42-month charter on the Aquario at the refinancing in February, 1972, when, according to the allegations, he knew that charter was false, the true charter was 33 months.

We do move to dismiss that for failure of proof.

He is also alleged in that count, your Honor, to have signed the loan agreement, if my recollection is correct.

Is that right?

MR. GLEKEL: Which count are you talking about, the Aquario?

MR. FLEMING: Yes.

MR. GLEKEL: Yes.

MR. FLEMING: Signed the loan agreement as I believe both attorney and attorney in fact for Southeast Tankers, and in that loan agreement there is a representation that the charter is 42 months. The allegation is that that representation is false to Mr. Hanlon's knowledge.

We move to dismiss the count on the basis that Mr. Hanlon's knowledge is not established.

THE COURT: What part of United States v. Lang refers to this subject of signature alone?

MR. FLEMING: There's nothing in this case, as I read it, which says that a signature alone is not enough.

THE COURT: I thought that's what you cited it for me to know.

MR. FLEMING: The case I think is based upon the fact that the man signed a document.

MR. SPRIZZO: And the Court reversed.

MR. FLEMING: And it was reversed. The Court without saying in black letters a signature is not enough to infer the knowledge of what you are signing is false said that, "Proof of a violation of 1,001 requires proof that the defendant had the specific intent to make a false or

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE NEW YORK N.Y.

fraudulent statement and then it must be made deliberately, knowingly or wilfully or at least with reckless disregard."

THE COURT: A quick look at the Lang case indicates that it's confined to a set of circumstances not present here.

The Squires case that you cited to me seems to be a case involving a false statement in connection with the acquisition of a firearm from a licensed dealer and the facts there seem to be substantially remote from anything that we are dealing with in this case.

No, the Squires case seems to turn on an internally inconsistent charge.

Mr. Glekel, is there anything that you want to respond to here?

MR. GLEKEL: Your Honor, I just note that the Squires case involved a form where the applicant was required to state whether he had ever been convicted of particular crimes which were then defined not by the nature of the crimes but by the particular statutes. It was the old form. I believe that decision was based upon the context of that form. The defendant was entitled to a particular charge on the question of knowledge which was not given. I don't think that's the question in this case.

I will be glad to respond to any particula

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y. -- 791-1020

gwh8

b3 questions concerning any particular counts.

If you want me to start at the beginning, counts 18 and 22 -- excuse me -- count 10 concerns a wire fraud involving the Harilion, Krilion, Ilion and Marilion. The nature of the government's claim there is that a misrepresentation was made to the National Bank of North America concerning one, the purchase price of the ships and, two, the charters on the ships.

The government has introduced evidence that the charters were false and nonexistent.

The government has also introduced evidence that Mr. Hanlon incorporated Liberian Shell corporations in the names of two of the purported charterers, Mitsui Line and Japan Lines. The government has also introduced evidence that Mr. Hanlon represented Tidal Marine as its owner, as the borrower's attorney and the loan closings in connection with these loans and, further, had those closings by providing the necessary documentation and arranging for the provision of the necessary documentation.

As to the Trekton, which is also a wire fraud, counts 18 and 22, the government's contention as to that count is that, one, Mr. Hanlon was well aware of the true purchase price of the ship, which was $3,385,000, and at most perhaps with the $75,000 which he and Mr. Sheneman

gwh 9

received is included in the purchase price was slightly over $4,000,000. We claim he was aware of it because he received $325,000 from the proceeds of the transaction and because of the testimony by Mr. Sheneman and by others as to his participation in that transaction.

The government claims that he was aware of the representation made to the bank in England, to the Bank of America for several reasons.

First of all, Mr. Hanlon was present at the closing of this laon and represented Tidal Marine at the closing of this loan and was well aware of the loan amounts, which was $4,000,000. There was also evidence that this loan was made pursuant to a line of credit agreement under which the bank would not loan more than 75 percent of the purchase price of the ship making it, of course, impossible that Mr. Hanlon could have believed that a $4,000,000 loan w. s being made on the true purchase price of the ship.

There's also been evidence in this case that Mr. Hanlon formed the corporation purchasing the Trechon, Deneb Navigation Corporation, that he also formed and built for the formation of Kowloon Tankships which received $325,000 of the proceeds of the loan.

As to the next account, count 36 which concerns the six dry cargo loan, there's been evidence that Mr.

qwh 10

Hanlon participated in and was aware of the sale of 13 Tidal Marine ships to Mark Scufalos. There's also been evidence that Mr. Hanlon represented Mark Scufalos for the purpose of obtaining a loan on six of these ships.

THE COURT: You say sale by Scufalos or the sale to Scufalos?

MR. GLEKEL: The sale to Scufalos. 13 ships were sold to Scufalos-- excuse me -- they were sold from Scufalos to Tidal Marine in March of 1971.

THE COURT: So there was a sale by Scufalos?

MR. GLEKEL: By Scufalos to Tidal Marine in March of 1971?

THE COURT Yes.

MR. GLEKEL: And there's been evidence that Hanlon represented Tidal Marine in connection with that sale.

There's also been evidence that Mr. Hanlon represented the borrower, represented Mark Scufalos in connection with the loan on six of the ships which had previously been sold to Tidal Marine. There's been evidence that it was represented to the bank that the purpose of this loan was for Mark Scufalos to buy out his partners' interests in these ships, and the government's contention here is simply that Mr. Hanlon having acted as Tidal Marine's

gwh 11

attorney in the previous sale was well aware that Tidal Marine owned these ships, already owned these ships and that neither Mark Scufalos nor his partners owned them or had any plans to own them at the time.

As to the various counts dealing with the Tropis and Tekton --

THE COURT: What are the numbers of those counts, 51 and what else?

MR. GLEKEL: 51 and 56 through 59.

THE COURT: Not 57?

MR. GLEKEL: Pardon?

THE COURT: Not 57?

MR. GLEKEL: 57 through 59. 56, 57, 58 and 59 as well as count 51.

THE COURT: All right.

MR. GLEKEL: Those series of counts basically charge two false representations, one concerning the charters on those ships. The claim there as to the defendants is that while it was asserted to the bank that the ships were on five-year charters, in fact, they were on three-year charters.

In the case of Mr. Hanlon, the government's contention is that he was well aware of this fact, one, from his representation of Tidal Marine in connection with

qwh 12

various bank of America loans on these three ships at which time it was represented that -- on the two ships, Tropis and Tekton, at which time it was represented that the ships were on three-year charters.

hph 1 1001

T5A And he furthered the obtaining of the loan on the basis of the five-year charters and submitted various docume in that connection. As to Mr. Naslas the government's proof is that he was operating these ships from the time of the original purchase from Karageorgis. This has been established in addition to the testimony of witnesses from various telexes read dealing with the operations of these ships and the government's claim is that they were operated on three-year charters, and at the time of the loans it was represented to the bank they were on five-year charters.

If you tell us more, in connection with these ships there are charges that a misrepresentation was made as to the ownership of the ships that they were represented as being owned by Scufalos corporations rather than by Tidal Marine corporations.

As to this the government's proof against Hanlon is that the stock books of the owning corporations, that is, the Aries and Pisces Corporations indicate that 500 shares in those two companies had been issued to Galaxy Steamship Corporation which is not a Scufalos corporation.

As to that count Costas Naslas signed authorization for a filing of a bill of sale indicating the transer of the Tropis and Tekton from one set of corporations

hph 2

to another set of corporations; the purchasing corporation being represented as Scufalos Corporation. There has been evidence introduced through telex traffic in addition to other forms of proofs that Costas Naslas viewed the Tropis and Tekton loan as refinancing which in fact it was and not a sale of ships to Scufalos.

62 is the Aris conspiracy charge. I will discuss that together with 63 which is the substantive charge of submitting a false statement to the bank. This concerns the Wintershall charter on the Aris. The government's claim there is that Mr. Naslas in connection with this loan certified that a five-year charter was in existence on the Aris when approximately six weeks earlier he had signed a three-year -- excuse me, he had witnessed a signature to a three-year charter on the Aris. The government further claims that in his position in operating the ships and supervising day to day questions concerning the charter and apart from having witnessed the signature on this charter Mr. Naslas was well aware that there was no five-year charter party. In fact, there was a three-year charter on the ship.

As to the Tachys which includes count 65, and 66, the government's contention as to Mr. Hanlon and Mr. Naslas is similar to the Tropis and Tekton, that is they

hph 3

both were well aware that those ships were on three-year time charters. Mr. Hanlon, because of his participation in the closing of a previous loan on that ship, at the Bank of America, plus his intimate knowledge as Tidal Marine's attorney with its affairs, Mr. Naslas on the basis of his operation, day to day operations of the ship, the government's claim on that count.

The government's claim on that count as to Mr. Katritsis is that he caused to be signed a false certificate certifying the five-year charter was true and accurate and the government's proof there, apart from the fact that Mr. Katritsis' signature appears on a phony charter is the testimony of Axiotakis, that several days after he had resigned as an officer of a corporation, he was asked by Katritsis to sign documents, a secretary certifying to the authenticity of the charter and he mentioned to Mr. Katritsis that he was no longer an officer and Katritsis said it didn't make any difference and there was no problem backdating the document. George Axiotakis said he did it on the behest of Paul Katritsis.

I should say as to Paul Katritsis that the government relies upon the fact that he signed a number of other false charters, Transoceanic charters, on the six dry cargo vessels in addition to the false Tachys

hph 4

charter. Furthermore, the government relies upon the testimony of Joyce Walker concerning Mr. Katritsis' typing of financial figures which had the effect of boosting Tidal's financial statements and of the testimony concerning his discussion with Harry Amanatides concerning these higher figures were required to obtain bank loans.

As to counts 67 and 68 which concern the Aquario, and only charge Mr. Hanlon, the government's claim is that Mr. Hanlon knew the true nature of the charter which was for two years, nine months, 33 months, because Mr. Sheneman told him what the true nature of the charter was. The government asserts that he knew he was submitting a false charter to the bank because he signed a memorandum of agreement -- excuse me, he signed the loan agreement on the Aquario which contained a statement that a three and one-half year charter was in effect and in addition according o the testimony of Peter Flemming, Mr. Hanlon physically submitted such charter to the bank and the government's contention is that there are other indicia or falsities in the charter even apart from the difference in terms.

THE COURT: What about loan agreement as to the time factor of the charter?

MR. GLEKEL: The government contends the false one is the one that state it was for 42 months. I don't

hph 5

recall whether it used 42 months or three and a half years on it but it is the same either way.

THE COURT: Just a minute, let me look at my notes. That was the testimony of Marcella Delfos.

MR. GLEKEL: Mr. Fleming tells me that it says actually three and a half years.

THE COURT: Is that right that this was the testimony of Marcella Delfos on that subject?

MR. GLEKEL: She testified that she was instructed to type a forged-- well, a charter with that figure on it and she identified the charter submitted to the bank as being the charter that she typed. Mr. Flemming testified that Mr. Hanlon -- that he asked Mr. Hanlon to submit the charter and that Mr. Hanlon submitted it or at least caused it to be submitted. In addition there is a statement in the loan agreement which was signed by Mr.Hanlon saying that there was a charter in effect for three and a half years, and the government's contention there is simply that Mr. Hanlon knew there was a two-year, nine-month charter on that ship.

THE COURT: What about count 75?

MR. GLEKEL: 75 and 76, both concern the Tagma. The government's claim there is that while these ships again were in fact Tidal Marine ships, Tidal Marine was

hph 6

purchasing them, it was represented to the bank that these were Scufalos transctions, that Scufalos was the purchaser of these ships and that Scufalos and his company owned the stock of the purchasing corporation. The government's contention there is similar to its contention on the six dry cargo and Trops and Tekton counts, that is, Tidal Marine's attorney, Mr. Hanlon was well aware of the fact that Mr. Scufalos was being used as a front by Tidal Marine to borrow more money because of the bank's unwillingness to extend any further credit.

As to Mr. Naslas, the government's contentions from the correspondence and telexes introduced into evidence that Mr. Naslas was intimately involved in providing documentation for this loan and providing necessary information to close it and that Mr. Naslas was also aware of the fact that Mr. Scufalos was being used as a front y Tidal Marine and was in fact not the true borrower in any of these transactions.

I should say the government also relies generally as to Mr. Hanlon on the fact that he devoted at least 90 percent of his time according to the testimony, on Tidal Marine matters.

hph 1

T5B

Furthermore, various bills and the docket sheets indicate that he devoted a substantial amount of time to performing legal work in connection with the transactions that the government contends were fraudulent and a great amount of this legal work was in forming the corporations concerning which the government contends Mr. Hanlon participat in misrepresentations about their ownership.

THE COURT: What about counts 3, 4 and 5 of the information?

MR. GLEKEL: As to counts 1, 3, 4, 5--

THE COURT: 1 is the conspiracy count.

MR. GLEKEL: Yes, your Honor. As to the counts of the information the government relies upon the testimony of Mr. Shevlin that he had an agreement between him, Mr. Spartalis and Metzger and Amanatides to receive $70,000 in bribes, a specific agreement; that on two occasions Costas N. slas paid $20,000 in bribes to Mr. Shevlin and Mr. Metzger, $10,000 each. The government also contends that there was strong corroboration of this evidence. As to count 2, which I believe charges a payment occurring on January 5th, I believe, or 6th --

THE COURT: Count 2 is out of the case, isn't it?

MR. GLEKEL: I'm sorry, the earliest count, count 3. The government's contention there is that while there is no

hph 2

proof that Costas Naslas physically made the payment, there has been proof that $20,000 was withdrawn on that date on the basis of a check made out to cash --

THE COURT: On his authorization.

MR. GLEKEL: Yes, signed by him, endorsed by Mr. Katritsis.

Your Honor, I believe that covers all the counts which the government has submitted for trial.

MR. FLEMING: Your Honor, may I just take two minutes of your time. Just with regard to Katritsis especially. I think Mr. Glekel's argument confirms our position that there is no evidence or knowledge in this case. With regard to Katritsis I have heard no argument by Glekel about knowledge on Katritsis' part with regard to any of the charges against him except one that Mr. Katritsis signed other charters which proved to be false and I think that that does not prove anything with regard to the transaction in issue because there is no evidence that he knew those were false. So far as the Joyce Walker is concerned, I think the Court should remember that Joyce Walker testified that she did not see Paul Katritsis type any raised figures. I believe she testified she did not know, and it is all a matter of inference from her testimony.

I would ask the Court take judicial notice, and

hph 3

I think the Court understands, banks do not make loans based upon earnings. They make loans based upon balance sheets I don't think the Walker --

THE COURT: Did you say I should take judicial notice of what banks do?

MR.FLEMING: Well, your Honor has practiced law. I'm saying the Walker testimony is not anywhere sufficient to take these counts to the jury against Katritsis in a criminal case. I don't hear any other evidence of knowledge offered by Mr. Glekel to support the charges of knowledge on Katritsis' part.

MR. SPRIZZO: One more point, Judge. On the payoff counts the government established, and the theory seems to bem, there was one agreement to bribe. That is what Shevlin testified to and therefore as I understand the law in this area, if you have one agreement to bribe, you have one offense. If the payments are made in installments you have one offense. We don't think any of the substantive counts should go to the jury and if any should go, one should go. They have basically charged and proved one offense and therefore they have not proved individual bribes.

THE COURT: You have encapsulated their position convenient to your client. That is not quite the fair scope of the total claim.

1146

hph 4

The only thing that I would like to review further, I haven't the slightest doubt in respect to the motion on behalf of Messrs. Hanlon and Naslas, and those motions are denied. I would like to have you review again for me, Mr. Glekel, the specific counts in which Katritsis is charged and his connection with those counts, namely, 56, 57, 58, 59 and 66 --

MR. GLEKEL: And I believe 51 as well.

THE COURT: I haven't come to it yet. I will get there in a minute. 51 and 65 as well. You gentlemen may have had the notion that I was against otherwise, but there was very little that escaped me during the trial on the subject of the case.

MR. GLEKEL: Your Honor, if I may, four of those counts concern the Tropis and Tekton, and 65 and 66 the Tachys. If I may take the last two first for convenience.

The government's contention there as to Katritsis' participation in the conspiracy charge is really based on two actions by him: One, the fact that he signed the five-year charter with BP which the government contends is false and fraudulent.

Two, that he caused George Axiotakis to sign a certificate, certifying that this false charter which Katritsis has signed was in fact a true and valid charter.

hph5

As to Katritsis' knowledge, the government relies, one, upon the circumstances under which he had George Axiotakis sign the secretary certificate. That is, the fact that Axiotakis had already resigned from the corporation, the fact that he told Axiotakis there was no problem in backdating the certificate and that he told him that it had cleared with Tidal Marine's attorney.

THE COURT: Is that Exhibit 3-A that you are referring to, the secretary certificate that he was asked to sign? Let me see Exhibit 3-A, please.

(Handed to the Court)

MR. GLEKEL: Your Honor, following it is the charter party.

THE COURT: What was the evidence as to the time factor when he signed it?

MR. GLEKELE: Axiotakis testified that Naslas asked him to become an officer of the owning corporation. He said he resigned the same date he signed certain documents.

b2 THE COURT: What date?

MR. GLEKEL: He did not recall the exact date. What he did recall was he resigned on the same day and then a period of time thereafter Paul Katritsis came over to him and told him there was a document which had to be signed --

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y. - 791-1020

hph 6

THE COURT: What is the physical evidence accepting the version of the backdating? Is there any physical evidence of that?

MR. GLEKEL: There is no physical evidence other than the dating on it. I believe it is February 4th, is the date on which the loan closed and I think it can be concluded from the evidence it is highly likely that other documentation signed by Mr. Axiotakis must have been on the day of the loan closing, also February 4th, and therefore that this was dated to conform with the other closing documentation.

THE COURT: And this Spartan Endeavor charter that you call attention to, is the alleged five-year charter, is that it?

MR GLEKEL: Yes, your Honor, and it has Mr. Katritsis' signature on it.

Furthermore, as I recall --

THE COURT: Just a minute. I want to look at the signature page.

All right.

MR. GLEKEL: Furthermore, as I recall Axiotakis' testimony, he specifically asked Mr. Katritsis whether the charter was a valid charter party and Katritsis implied that it wa[illegible] which I think put him on specific notice and

hph 7

to some extent --

THE COURT: He didn't say "valid" he said "It is what it says.'

MR. GLEKEL: And the government's contention it is not what it says.

As to the Tropis and Tekton counts, that is, 51, 56, 57 and 58, Katritsis' participation stems from his signing of basically four documents. One document was the assignment of charter hire on the charters on the Tropis and Tekton which he signed on December 24, 1971, on the day of the closings. The government's contention is that both these charter parties were fraudulent and nonexistent. The other documents which the government contends Katritsis signed in connection with that closing are two documents, one claiming a hundred percent of the outstanding of Aries Navigation Corporation, the corporation owning the Tropis had been owned by Scufalos Company for a year and the other that all the shares of Pisces Corporation, the corporation owning the Tropis had been owned by Scufalos Company for a year.

There was also testimony that Katritsis was present at this particular loan closing and was involved in providing some of the documentation in connection with the closing.

hph 8

Moreover, there has been testimony apart from other false charter parties he signed, there has been testimony that he was a confidante of Harry Amanatides and Amanatides confided to him and let him work on the matters which he would now allow anyone else to work on, had him type document which he did not allow secretarties to type and consulted with him on matters which he did not consult with anyone else, and in fact he was Amanatides' spokesman when Amanatides was away from the office. And, from his involvement in this transaction which the government claims was more than peripheral, I think there is strong evidence in which a jury could conclude he was fully aware of the nature of this transaction.

THE COURT: What about 51?

MR. GLEKEL: 51, your Honor, is the conspiracy count which concerns the Tropis, and Tekton and is two of the acts charged or that Katritsis signed the documents asserting the outstanding shares of the Aries and Pisces Corporations had been owned by Union Commercial Shipping for a year and also that he signed and executed or, that he executed the assignments of charter hire and the false charter parties in connection with that loan. But essentially the charges as to his participation rely upon the same documerts set forth in the substantive counts, that is, 56, 57, 58 and 59.

hph9

The conspiracy charge, the objects of the conspiracy in count 51, are basically two: one misrepresentation as to the existence of the charters. Two, misrepresentation as to the owning of the borrowing corporation and the government's contention is that Katritsis was involved in both false statements charged in the conspiracy, that is the misstatements as to the ownership of the borrower and the misrepresentations as to the terms, the length of the charter and the validity of the charter that was submitted.

THE COURT: I am satisfied the jury could find that the significance of the signatures under the circumstances portrayed in the evidence of this case, take the signatures far beyond the mere amanuensis of the technical circumstances. The motions as to Katritsis are likewise denied.

We will stand in recess until 10 o'clock tomorrow.

(Adjourned to June 10, 1976, at 10 A.M.)

lon

WITNESS INDEX

Name	Direct	Cross	Redirect	Recross
John Shevlin (Resumed)		852	926	
Panayotis Pyrpyris	933	937		
Edmond Morel	938	942		
Stephanos Dallas	945	948		
Anthony Ventimiglia	956	960	961	

EXHIBIT INDEX

Defendants	Identification	In Evidence
L	867	
M	900	
P	919	
Q		922
R	950	
Court		
11	917	
Government		
268A	963	
378	968	968
379		968

A a.m. 1 UNITED STATES OF AMERICA 1017

2 v. 75 Cr. 515

3 JAMES D. HANLON, COSTAS NASLAS
and PAUL KATRITSIS

4

5 New York, New York
June 10, 1976 - 10:05 a.m.

6

- - -

7 (In open court - jury present.)

8 THE COURT: Good morning, ladies and gentlemen.

9 MR. FLEMING: May we proceed, your Honor?

10 THE COURT: Yes.

11 MR. FLEMING: May I have this marked, please?

12 (Defendant's Exhibit S was marked for
13 identification.)

14 MR. FLEMING: If your Honor please, Mr. Glekel
15 has agreed that if appropriate officers of the Regency Hotel
16 were called, he would authenticate the documents which form
17 Defendant's Exhibit S, for identification as the record of
18 the Regency Hotel.

19 I therefore offer it.

20 (Defendant's Exhibit S was received in
21 evidence.)

22 MR. FLEMING: May I read it to the jury, your
23 Honor?

24 THE COURT: Yes.

25 (Mr. Fleming read to the jury from Defendant's

Exhibit S in evidence.)

MR. FLEMING: Mr. Naslas.

MR. GLEKEL: Your Honor, should the defendants present their case in the order of the names in the indictment?

THE COURT: I will let them present it in any order they wish.

Are any defendant witnesses in court other than the defendants themselves?

MR. FLEMING: I see none, your Honor.

THE COURT: Proceed.

C O S T A S N A S L A S, called as a witness on behalf of the defendants, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. FLEMING:

Q Mr. Naslas, please keep your voice up and talk back to me so everyone can hear you.

A Fine.

Q How old are you, Mr. Naslas?

A I'm sorry, sir?

Q How old are you?

A I'm 49 years old.

Q Where were you born?

A I was born in Salonica, Greece.

Q Did there come a time when you left Greece?

A Yes. I immigrated to the United States in the year 1956.

Q Prior to coming to the United States, what work were you engaged in, in Greece?

A I worked since I was 13 years old. I started as an office clerk in an office and then eventually worked for the Mission of the Red Cross in Greece, during the occupation and then I started my own small business in Salonica, in 1949, which was distribution of liquor and canned food. That was up to the time I left Greece to come to the States.

Q Were you married when you left Greece?

A Yes, I was.

Q For how long had you been married?

A I was recently married.

Q Did you have any children when you left Greece?

A No, I did not.

Q How did you come to leave Greece? Why did you leave?

A It was a decision primarily because of economic reasons. It was very hard to continue supporting my family, my parents and younger sister, one of the sisters and at the same time provide for my household for my wife and myself..

Q Do you recall when you got to the United States and what you did after you got here?

A I arrived with my wife in New York the day after Thanksgiving in 1956. And, I was met by my relatives here, my older sister who was already living here, and I had asked them only one request -- I only had one request for them:

To do their utmost and please get me a job right away because I had a lot of financial responsibilities. And, the month after that weekend, I was working in my first job in the United States.

Q Where was that?

A That was the Farboil Paint Company.

Q What did you do for Farboil?

A Not very much in the beginning. I was hired as a sales representative. I could not speak the language and I could not be a good salesman. I could call on Greek personnel in the various shipping offices, and at the same time I was doing a lot of office work, whatever I could do, to justify my wages.

Q What happened?

A Farboil being a paint company, had a marine division which was manufactuing and supplying paints and coatings for ships, and therefore the customers of the marine

division, in which I was working, were primarily steamship companies that operated, managed ocean-going ships and I was calling on the appropriate departments of various steamship companies in New York, trying to solicit sales for Farboil.

It was difficult because of the language, again, but eventually I was becoming a little more successful. People were trying to give me an opportunity. I was working hard to make this opportunity work as best as possible. I was giving them good service and eventually I was quite successful in having a number of good, faithful customers that would give me their business.

Q Did there come a time while you were working for Farboil when you met Harry Amanatides?

Yes or no.

A Yes.

Q Can you tell us when, to the best of your recollection, how that happened?

A Harry Amanatides was working as an office employee in a small steamship company in New York at the time. It was a three-man office, one of the men being the owner himself, an older fellow and Harry Amanatides, who was doing the physical work, attendance on ships and everything that had to do with the ships.

Q Do you recall when this was, about?

A This is 1957. This is the year after I came.

Q All right, go ahead.

A Sir?

Q Go ahead with Amanatides.

A Having the difficulties that I had under the circumstances, I was particularly grateful to people that were showing understanding for my situation and my effort, and Harry Amanatides, I must say, was one of the people that indicated a lot of understanding for what I was doing and the difficulties that I had. He was a very warm person, very friendly person.

He could not actually help me because his office was small and had very little business, and he didn't have very many friends at the time that he could refer me to.

Nevertheless, he was very helpful because he was a friend, actually, very early in my coming to a new country and a new city.

Q Did there come a time when you met a man named Ion Livas, with Amanatides?

A That was later. That was five or six years later. It was in the early '60s and I met Mr. Livas through Harry Amanatides. He was at the time having a small ship design office in New York.

hph 1 Naslas-direct

T1B

Q Who was this?

A Livas. He was, I understood, a Naval architect and he was doing conversion work on ships, or whatever he was doing, I don't know what he was doing.

Q What was Amanatides doing, with him, to your knowledge?

A I don't think they knew each other for very long at that time but it was obvious they were becoming very close friends and they were talking about their own things, which I had no part of, and they were of no concern to me.

Q Did you at any time have any conversation with Amanatides about Mr. Livas?

A Not really. I must say that I didn't like Livas right there and then, but I don't think I said anything. I may have. I don't think so.

Q And you continued to work with Farboil?

A Yes.

Q What happened next in regard to your relationship to Amanatides, if you recall?

A I don't remember exactly when, but eventually Amanatides left the steamship company he was working for, and started with a supply company in New York, ship supply company, which is the organization that will provide just

1160a

about everything that a ship which calls port will need, instead of going to various places, ships' captains or the office, to one ship supplier who will take their list of requirements and will supply everything from notebook to an anchor.

This was Atlantic Steamers Supply Company, downtown New York, and Harry Amanatides became associated with them, and being a very active person, he was pretty soon managing, at least the physical end of the business, like handling of orders and arranging deliveries to the ships.

Q Did you have any conversation with Amanatides about going to work with him at that time?

A No, I don't think so. But, he was expressing his hope that some day he could do what he was doing for somebody else, for himself. He wanted to go on his own, and many times,very many times he was making remarks as to the fact that he would like me to join him and work with him and have the same benefits that he thought we could have by going on our own.

Q Go ahead. Did there come a time when he asked you to come to work with him?

A That was much later. I kept refusing because of two reasons: Because I knew that we didn't have the capital to go into this business which requires

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y. - 791-1020

1145

sive credit, and I was very comfortably employed
ly. I thought I was maybe not doing tremendously,
was successful, I was improving my situation, and
no reason whatsoever to change.

Q Mr. Nasl s, when you say go into this business,
ype of business was contemplated by Amanatides with
that time?

A All he was talking about was ship supply, which
business whereby you undertake to supply ships with
hing they need.

Q So you turned him down?

A Yes.

Q What happened ultimately?

A Well, he kept coming back to me and in the late
s he started talking about Tidal Marine for the
time. Tidal Marine at that time was a small office,
all office on 80 Broad Street, and it was Tidal
Supply Company, if I'm not mistaken. I may be
en, but I believe that was the name. And, what Mr.
ides was suggesting was to join him and build the
ss for Tidal Marine Supply Company. In other words,
t, instead of just marine paints, solicit orders
siness from the same customers and other customers
complete line of marine supplies.

1162

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y. - 791-1020

Q What happened?

A I refused again because I kept thinking that this was extremely risky because of the lack of money and--

Q Would you explain that? What do you mean? What is the need for capital in the marine supply business?

A Well, an average order on a ship can run into an amount of maybe $15,000, ten to fifteen thousand dollars.

Now, if you supply a few ships at, say -- say, ten ships at $10,000, you pretty soon have extended credit in the amount of $100,000, and while you have to pay your bills for everything that you bought, you're not entirely sure when you will be collecting from the customer.

Q And you say you continued to refuse Amanatides' offer to join him in the marine supply business.

Will you tell us what happened ultimately?

A At some point around late sixties, '68, he started talking to me about this possibility of Tidal becoming a big company because of money invested in it, in large amounts. And, while I could not exactly understand what he was talking about, I realized that he was in contact with people that were interested in investing money in his company.

Q Did there come a time when people did invest and he came down again?

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y.

hph 5 Naslas-direct

A Yes. In early '69, he came to me holding a check, which was the, what he referred to, as the first of a lot of checks to come in. And that check was in the amount of $1,000,000.

Q Did you have anything to do with obtaining that check?

A Absolutely nothing. I don't even know where it came from.

Q Did he tell you how he had obtained it?

A No, he did not.

Q Did he use the words "private placement" at all?

A He did use that expression, yes.

Q Did you understand what that meant?

A Well, all I understand was that this was someone investing his money in something that he had faith in, or whatever.

Q Did you understand that people got stock in return for their money? At that time did you understand that?

A No.

Q So he showed you the check.

What happened?

A The pressure was extremely heavy at the time, and he did make a lot of sense at that point, and in the spring of '69, we started talking about quitting, me quitting

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y.

hph 6 Naslas-direct

Farboil and joining the supply business, which I finally did after I talked to my employers and I left Farboil, and I left March 31st, '69, and I commenced the new job on April 1, '69, which at that time was Delta Marine Supply, because I thought that it should be a new outfit.

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y.

T2A

Q Let me stop you.

You went to work for a company called Delta Marine Supply?

A Yes.

Q Who owned that company or what owned that company?

A Well, Delta Marine Supply was a subsidiary of Tidal Marine.

Q All right.

The stock of Delta Marine was owned by Tidal Marine?

A Yes, it was.

Q That resulted from a conversation which you had had with Amanatides?

A Yes, sir.

Q What was that conversation?

A What was the conversation? I don't exactly recall, but --

Q The substance of it.

A The substance of it would be that this is not our own company, this is not just the company, this is a branch or an area of the entire company which I was assigned to run and operate.

Q Did you have a discussion with Amanatides as to the value of having a separate company as a

1166

supply company?

A Yes, I did.

Q What did you tell him?

A He was talking about entering the steamship business as such.

My only point was that the shipping industry is a rather small industry. Everybody knows each other. I didn't think that it was smart for an owner to be also a supplier and that the supply business should be kept totally independent.

Q Let me ask you: Before you took the job with Amanatides, at any time before you took the job with Amanatides did you have a conversation with Amanatides about your feelings about Livas?

A Yes, sir. As a matter of fact --

Q Can you describe the circumstances and what the conversation was?

A Yes. When I finally -- when I finally gave my word that I was going to join and run the supply business, I did not ask what my salary will be, I did not ask what my vacation will be. I only told him -- I asked him if Livas had anything to do with whatever we were doing.

His most definite answer was, no, Livas has absolutely nothing to do with this.

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y.

I explained to him that if Livas had anything at all to do with that, I was not prepared to join.

Q All right.

So you are now working at Delta Marine Supply Company; is that right?

A Yes, it is.

Q A subsidiary of Tidal Marine?

A Yes, sir.

Q All right.

Were Delta Marine's offices at Tidal Marine or separate from Tidal Marine?

A No, Tidal Marine at this time is on 80 Broad Stree has moved from the previous small office into a slightly larger office. Delta Marine is operating on 116 Beekman Street, downtown New York. This is a small old building. It's no longer there. It w s found by Amanatides because must say that while I knew the paint business by then and I knew the customers and the steamship companies involved I did not know the marine supply business and I was relying a lot on Harry Amanatides, who did.

Q All right.

What happened at Delta Marine?

A Delta Marine started very, very small. We started putting together a small inventory of normal

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y.

items that are usually required, and the big effort was on soliciting business because that's what you need to get going.

I was doing that myself, and business started coming in.

As I did, we were developing the warehouse and our office. It was a small operation, quite small at that time.

As the business was increasing, it was -- no. Before that Amanatides made a few arrangements which were the acquisition of three very small independent ship suppliers in New York. He brought their inventories in, he brought some of the people in and he was trying, of course, through that to bring some of their customers in so that the business could be built.

He also purchased a lot in Houston, Texas, where he arranged for a small warehouse to be built, and there he acquired a small Houston, Texas, firm that was already in business.

Q Marine supply?

A Marine supply business, and put them under Delta Marine Supply, New York, as a Houston, Texas, branch office and warehouse.

In addition to that he was in contact and

eventually reached an agreement -- that's Harry Amanatides-- with a group of people in Portland, Oregon, again ship supply business. I believe it was two separate companies. It may have been three. People that were very long in this business, had established themselves, and were interested in participating in whatever the supply business was going to be.

Q All right.

For how long did you work at Delta Marine Supply?

A Until October of 1970.

Q What happened in October of 1970 to cause a change?

A Well, long before October, '70, it was apparent that if the Delta Marine Supply business were to go the right direction, capital investment would be required, and it also became apparent that as Tidal Marine as such and Amanatides were increasingly involved in purchase of ships, they were finding rather secondary to inject any sort of money in the supply business.

So what we were faced with was a growth without money.

Q When you say, "we" --

A Delta Marine Supply, New York and Houston.

As a result we were holding back in deliveries

1170

and being very choosy with our customers, concentrating on those that will pay fast so that we can collect our bills.

Q Did you ask Amanatides for capital?

A Repeatedly, and in the beginning he was promising that he will do something about it, but then I guess he at some point he felt that he should tell me what his thoughts were, was that we could not invest more money in supplies if we can invest our money in ships.

MR. MARMARO: Objection to what the witness guesses, your Honor.

THE COURT: Yes. Objection sustained. Strike out the "guess."

MR. FLEMING: May I have just a moment, your Honor?

(Pause.)

Q Did Amanatides tell you that he could not afford to give Delta Marine money because he was buying ships?

A He told me that he could not invest money in marine supplies when he could invest money in ships.

Q Okay.

Was he by that time investing money in ships, as far as you know?

A Yes, he was.

Q All right.

Did you have anything to do with the acquisition of those ships?

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y.

A Nothing at all.

Q What happened to Delta Marine and what happened to you?

A By September, October, 1970, Amanatides made arrangements with the Portland, Oregon group to go on their own for -- I believe two of three small New York suppliers to be given back whatever they had brought in, and an agreement was reached with Argo Marine Supply, which is a company in New York City, for it to buy all assets of Delta Marine Supply in New York and Houston for a certain amount of money, this being an agreement which I worked on, but Harry Amanatides concluded with the head of Argo Marine.

Q Where did you go to work then?

A After that I was told that I was to go to work for Royal Steamship Agency, Inc., which in October of 1970 was the operating company of the Tidal ships.

Q All right.

Who told you that?

A Harry Amanatides.

Q You say Royal Steamship was the operating company of Tidal Marine.

What do you mean by that?

A Well, every ship is owned by a company and this company has designated manager who is responsible for the

day to day operation of a ship, and at that particular time Royal Steamship Agency, Inc. was the manager for the ships that Tidal had at the time.

Q All right.

When you went to work for Royal Marine, how many ships did Tidal own? To your recollection.

A 1970, October, Tidal had five ships.

Q Was each one of those ships owned by a separate company?

A Yes, it was.

Q Is that the practice in shipping?

A Yes, it is.

Q Was each company which owned a Tidal ship in turn owned by Tidal?

A Yes.

Q All right.

So you have Tidal at the top, is that right?

A Yes, sir.

Q And then Tidal owns the stock in various companies?

A Yes, sir.

Q Those companies, am I correct, own ships?

MR. MARMARO: Objection.

THE COURT: It is all leading, but I think it will

1174

gwlt 4 Naslas-direct

shorten the proceedings.

Go ahead.

Q So Tidal owns individual companies and those companies, some of them, own ships, is that right?

A Yes, sir.

Q All right.

Then you say that at least when you went to work for Royal Steamship, the ships which Tidal owned were being managed by another company called Royal Steamship?

A Right, sir.

Q Who owned Royal Steamship?

A Tidal Marine.

Q All right.

Were you an officer of any of the companies that owned the ships?

A Yes, I was.

Q Did anyone do any work in those companies, that is, the ship-owning companies?

A No, sir.

Q They were just holding companies?

A Yes, sir.

Q So you went to work for Royal Steamship.

That was the Tidal subsidiary that had the responsibility for managing the ships Tidal had at that time?

A Yes, sir.

MR. MARMARO: Objection.

THE COURT: Overruled.

Q What were you told your job was to be at Royal Steamship?

A Well, I -- up to that point, I was trying hard to learn the marine supply --

Q No, my question was:

What were you told was to be your job at Royal Steamship?

A I was supposed to be trained in operations and in the meantime, I was assigned duties that I could be productive, such as purchasing, crew matters, repairs, to an extent.

Q Who was the head of Royal Steamship? President?

A President of the company was Cristi Hanges.

Q Who was the chief operator of the ships when you joined it?

A Operations manager was Captain Dionissiou.

Q You worked with him?

A And I worked under him.

Q What happened to him?

A Very shortly after I joined Royal he took sick. He had a heart condition then and he was put in a hospital

in critical condition. I found myself in the middle of an office that I could not run and it was extremely difficult for a while. Mr. Hanges was requested to come and help and he did. He came and he devoted his time, and Mr. Hanges being an experienced person with long time spent in this business, we, being he and Captain Dionissiou's assistant, secretary and myself, we were doing our best and continued the operation.

Q Did there come a time after you went to Royal Steamship when Tidal Marine purchased a vessel called the Petrolasa?

A In December of 1970.

Q All right.

Did you have anything to do with that purchase?

A Nothing with the purchase.

Q Did you have anything to do with the ship after it was purchased?

A At some point in December I was assigned the coordinatio of the repairs of the ship in Bethlehem, Hoboken, New Jersey.

Q What was the name of the ship after Tidal got it?

A Trechon.

Q Trechon.

Let me ask you this:

As of the first of January, 1971, to your

recollection, how many ships did Tidal own?

A Seven.

Q All right.

What happened with the fleet after that?

A You mean in 1971?

Q Yes.

A Well, by the end of 1971 there were 41 ships that belonged to the company.

Q What do you recall about the acquisition of those ships? Did you ever have any conversation or knowledge of the acquisitions of those ships?

A No specific conversations. I had nothing to do with the purchasing -- the actual purchase of the ships, and by that time the operations which were being performed by Royal Steamship had moved to London, so Royal Steamship Agency from being the operator of the ships is reduced to much less, being just an agent in New York and United States in general.

Q Let me ask you about that.

How did you come to know that the operations of the vessels were going to be switched to London? How did that happen and when did it happen?

A I was told in December that the operations were being moved to London.

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE
FOLEY SQUARE, NEW YORK, N.Y. 10007

Q Who told you?

A Harry Amanatides.

Q Did he tell you why?

A He, as best as I remember, told me that as the fleet of the company was increasing, the need for a large office was becoming apparent, New York would be to expensive with high salaries and large number of personnel; London would be a better place. Also, the proximity to Greece made it a more desirable place. He was not asking me. He told me.

Q When do you place this, in what year?

A This is kind of late '70, and it went into effect very early in '71, I believe January 1st.

Q What did Royal Steamship become then?

A Well, after that, Royal Steamship was reduced to being a steamship agent for Galaxy Steamship Agency, Ltd. of London, which was a British company, with specific duties to follow Galaxy's requests and instructions, and attend to ships that were operating in the area only.

Q What does that mean, "attending to ships operating in the area"?

A That includes just about everything that has to do with this particular ship at that particular time only. A ship comes into a port to either load or discharge. She ha to have an agent to be represented by, she has to clear through Customs, she has to be supplied, attended to for repairs or other requirements.

You may have crew problems, sick people, repatriating people, a crew that comes to join the ship, a change of command, the Captain may be leaving. A lot of details, but usually a good amount of work.

Q What area of responsibility, that is, what ports were covered by Royal Steamship here in New York, geographically?

A We used to refer to is as the western hemisphere, but in reality it was all U.S.A. ports, the east Canada ports, and an indirect involvement when the ships

were in the Carribean area and by indirectly, I mean we were not physically there, but we were supervising because of better communications.

Q Did Mr. Amanatides in 1971 ever talk to you about purchasing ships from a man named Karageorgis?

A He never talked to me about that, no.

Q Did he ever tell you it was going to happen?

A No.

Q When did you learn that it happened or did you learn that it happened?

A Well, I heard in the office that one of the group of ships that was coming into the company was the so-called M.A.K. group.

Q That stood for what?

A Michael A. Karageorgis.

Q How many ships did you understand were included in that group?

A I remember four.

Q Did you ever hear anything during '71 about the acquisition of ships from Mark Scufalos?

A Yes, I did.

Q From whom did you hear that?

A From Harry Amanatides.

Q What did Harry tell you?

A That Tidal had concluded an understanding that there was going to be soon an agreement from Mark Scufalos to acquire his fleet.

Q Did he tell you how many vessels?

A I remember 12.

Q Did he tell you what type of vessels they were?

A Dry cargo.

Q Did he have any discussions with you about the role which Mark Scufalos and his company would play in Tidal Marine?

MR. GLEKEL: Objection, your Honor.

THE COURT: Sustained.

Q Did Mark Scufalos, to your knowledge, have a company in Greece?

A Mark Scufalos had an agency in Greece.

Q What was the name of that?

A Union Commercial.

Q Did you ever have any discussions with Amanatides about Union Commercial?

MR. GLEKEL: Objection, your Honor.

THE COURT: Overruled.

MR. FLEMING: Did your Honor overrule the objection?

THE COURT: Yes.

Q Do you have the question in mind, Mr. Naslas?

A I don't know exactly what you mean by conversations about Scufalos.

Q About Union Commercial.

A All I remember is that Scufalos and his group and his ships were joining Tidal Marine in a certain way and that was about it.

Q Anything about a dry cargo fleet and a tanker fleet?

MR. MARMARO: Objection.

THE COURT: Overruled.

A Mark Scufalos and Union Commercial were primarily dry cargo operators. Tidal Marine at that time had mostly tankers, with the exception of two -- three, dry cargo ships.

Although both tankers and dry cargo ships are ships, there is a lot of difference in handling them or going about their daily problems, and the idea of specializing is not entirely without foundation.

So, the conversations that I had was that we, being Tidal, were becoming associated with a company very involved in dry cargo operations; we are building Galaxy Steamship Agency in London as a tanker operator with the eventual dream to br ng everything together under what Harry

Amanatides was referring to as the Tidal Marine umbrella, to realize the benefits of a large fleet and a large company, being special discounts, special credit terms and things of that sort.

Q You testified that on or about January 1, 1971, Tidal Marine owned 7 or 8 ships. How many ships did it own, to your knowledge, by September of 1971, to the best of your recollection?

A The number I have in mind is 41.

Q Did there come a time that Mr. Amanatides asked you to come to London, that fall?

A Yes.

Q Tell us about that.

A I went to London more than once. Usually for a very short period of time. I was usually spending most of my time with the operations people in London.

Q Did you have a conversation with Mr. Amanatides about the operations of these 41 ships?

A At the end of '71, nothing particularly involving the operations of the ships. '71 strikes me as the time when he asked me to go to London for an entirely different reason.

Q What was that reason?

A Late '71 he told me to go there, and after I did go there, he went in to telling me about the Shearson, Hammill

program of injecting capital into Tidal Marine.

He told me about the possibility of having a drastic change in the board of directors of Tidal Marine, and he told me that some people were going, and he was not sure whether I would stay or not, and he asked me to meet --

hph 1 Naslas-direct

Q Stay where?

A In the board of Tidal Marine.

Q Board of directors, you mean?

A Board of directors, I'm sorry.

And, he told me that I was to be conducted by the London representative of Shearson Hammill and be interviewed by him, who would make the decision whether or not I stay.

Q Who was that?

A This is Mr. Palmer in London.

Q Were you interviewed by Palmer?

A The following day I met Mr. Palmer and I had lunch with him. We talked during that lunch about ships and operations of ships, and for the first time I heard from Mr. Palmer that Ion Livas was coming as chairman of the board of Tidal Marine.

Q Did you speak to Mr. Amanatides about that?

A I went straight back to Mr. Amanatides and I told him what I had just heard. And, I also told him at that very moment that I was resigning.

Q What did he say?

A He did not argue. He said that he understood, that he had no choice, but he understood my decision, and he asked me to please stay until replacement is found for me,

so that I can go.

Q Did you submit a letter of resignation to Mr. Amanatides?

A Yes, I did.

Q Do you have that with you?

A Yes, I do.

xx (Defendants' Exhibit T marked for identification.)

Q When did you have the conversation with Mr. Amanatides in London when you told him you were resigning?

A Late November, early December, '71.

Q Is this the letter that you ultimately wrote?

A Yes, sir.

MR. FLEMING: I offer it, your Honor.

MR. GLEKEL: Your Honor, the government objects. With the Court's permission, I will write a note as to the grounds.

THE COURT: Just the legal grounds of the objection. What is the legal ground of the objection?

MR. GLEKEL: Foundation and self-serving.

THE COURT: Is there any objection to the four lines that I have bracketed on page 2?

MR. GLEKEL: Yes, your Honor, there is an objection to those lines.

THE COURT: Do you have any objection to the part

that I have now bracketed out?

MR. GLEKEL: Same objection, your Honor.

MR. FLEMING: May we give your Honor a note?

THE COURT: Mr. Naslas, was this letter sent?

THE WITNESS: Yes, sir.

THE COURT: It was delivered?

THE WITNESS: It was delivered.

THE COURT: I will permit so much of this letter as indicates the date, the addressee, the bracketed portion on page 2, and the signature. The balance of it is excluded.

Show it to Mr. Fleming.

Did you want to present anything to me in connection with this matter, Mr. Fleming?

(Note handed to Court)

THE COURT: This argument that you have presented will be marked as Court's Exhibit 13 and only so much of it as I have already indicated falls within the ambit of the argument, in my opinion, and the balance of it will be excluded.

(Court's Exhibit 13 received)

THE COURT:You may received to the jury those parts.

MR. FLEMING: The date, the addressee, what your Honor bracketed and the signature?

THE COURT: Yes, the closing and the signature.

MR. FLEMING: The letterhead is Costas Naslas, 31 Whittier Drive, Searingtown, New York, 11507, dated January 6, 1972. The addressee is Mr. Harry Amanatides, Tidal International Corporation, 80 Pine Street, New York, New York, 10005. "Dear Harry" and then the bracketed language, "I wish to offer my resignation" and it is signed "Sincerely Yours, Costas Naslas."

BY MR. FLEMING:

Q Did you receive a letter from Mr. Amanatides in reply?

A Yes, sir.

xx (Defendants' Exhibit U marked for identification.)

Q Is Defendants' U for identification the letter which you received in reply?

A Yes, sir, it is.

Q Do you recognize the signature?

A Yes, I do.

Q Whose signature is it?

A Harry Amanatides'.

MR. FLEMING: I will offer it at this time, your Honor. There is no use in taking time in argument. I won't read any of it.

THE COURT: I did not understand what you said.

I don't know if the reporter got it.

(Record read)

MR.GLEKEL: Your Honor, the government has no objection to it.

THE COURT: Did I understand you correctly, "I will offer it but I won't read it"? Is that what the reporter read to me?

MR. FLEMING: What I meant was, your Honor, I didn't want to delay the examination. I thought once it was identified, we could discuss it later if there was an objection as to its admissibility.

THE COURT: Received without objection.

(Defendants' Exhibit U received in evidence.)

(Defendants' Exhibit U read to jury.)

T4A

Q Did you own some stock in Tidal Marine at this time, that is January 5th and January 6th-- I'm sorry -- January 6th of 1972.

A Yes, sir, I did.

Q Did you hear the records read yesterday by the government showing the sale of that stock?

A Yes, sir.

Q All right.

Would you tell us about the sale of that stock, when it was and how it happened?

A At the time I joined Tidal Marine I was told that I was to become --

THE COURT: Are you talking about the sale now? That's what Mr. Fleming asked you, the sale.

Q How did you come to acquire the stock first?

THE COURT: You withdraw the other question?

MR. FLEMING: I do, your Honor.

A The stock was offered to me at the time when I joined Tidal Marine. It was a total of 35,000 shares. I paid the par value, which was five cents per share, a total amount of $1,700.

Q Was that stock sold in 1972?

A In the spring of 1972 the stock -- the shares, not all of them, 25,000 shares were sold.

Q How did they come to be sold, to your recollection?

A Harry Amanatides told me that at that time a portion of my shares was going to be freed and sold.

A letter came from the counsel of Tidal Marine and I was instructed to deliver -- not instructed, I was to deliver 25,000 shares to G.K. Scott, which was the broker, and after a certain period of time when he came into my account.

Q All right.

Do you recall approximately how much money came into your account?

A Well, it came in four portions and the total of it was a little under half a million dollars.

Q What happened to that money?

A This money, as it was coming into my account, it was going straight into Galaxy Steamship Corporation.

Q Who owned Galaxy?

A Tidal Marine.

Q How did you come to put your money into Galaxy?

A I was told by Harry Amanatides that because of the tight cash situation at that period, it would be very helpful if I could do that as a loan to the company. I had no objection whatsoever and the money went into Galaxy account for Tidal Marine and I was given certain notes.

Q So Amanatides told you to sell your stock?

A Yes, he did.

Q And then asked you to give Tidal Marine the money you had gotten for it?

A Yes, he did.

Q Do you have your checks showing the disbursement of that?

A Yes, I do.

MR. MARMARO: Objection to the characterization of the last answer, your Honor.

THE COURT: Save your point for cross-examination.

MR. FLEMING: May I have these marked, please.

(Defendants' Exhibits V, W, X and Y marked for identification.)

xx

Q Mr. Naslas, let me show you Defendants' Exhibit Y for identification.

What is that?

A This is the May 11th statement of my personal account at Chemical Bank New York.

Q Does that show the payments into your account of the money for which your stock was sold?

A It indicates 4 payments into my account, yes.

Q Would you circle those 4.

Let me show you Defendants' Exhibit V for

identification. What is that?

A This is a check which I obtained from the Chemical Bank branch because I didn't have my checkbook and it was very urgent that I write this check.

Q Did you write it?

A And I did write it and sign it and the bank officer has inserted the information.

Q All right.

W for identification.

A This is the same thing.

Q What is X for identification?

A This is a transfer slip indicating that $100,000 was transferred from my personal account into Galaxy account.

Q This is your personal account --

A This is my personal account which is reflected on this statement.

Q Do these two checks and this -- what do you call it, debit memorandum?

A Yes.

Q Do they appear on Y and, if so, would you circle them?

A Yes, sir.

MR. FLEMING: I offer these, your Honor.

(Pause)

MR. GLEKEL: No objection, your Honor.

(Defendants' Exhibits V, W, X and Y received in evidence.)

MR. FLEMING: May I, your Honor?

(Mr. Fleming read from Defendants' Exhibit V, W, X and Y to the jury.)

Q Did that leave you with a little left over?

A Yes, sir.

Q How much of the total proceeds from the sale of your stock were you left with?

A The very last check that came in was $33,000.

Q Okay.

You say you received a note from Galaxy?

A I received three notes from Galaxy, yes.

Q Do you have those notes?

A Yes, I do, sir.

MR. FLEMING: May I have these marked together, please.

(Defendants' Exhibit Z marked for identification.)

Q Z for identification contains three documents.

Are those the three notes you received?

A Yes, sir.

Q The answer is yes?

A Yes.

Q Do you recognize the signature on the notes?

A Yes, I do.

Q Whose signature is it?

A Harry Amanatides.

4B a.m. gwlt 1 Naslas-direct 1059

Q Are each of the notes in the amounts of the two checks and the debit memorandum?

A Right, sir.

MR. FLEMING: I offer these, your Honor.

(Pause.)

MR. GLEKEL: No objection.

(Defendant's Exhibit Z was received in evidence.)

Q MR. Naslas, did you ever collect on those notes? Yes or no.

A Yes.

Q Tell us about that.

A In December 1972 I sold these three notes for $1,000.

Q Apiece?

A All three of them.

Q Three for $1,000?

A Yes, sir.

Q Who did you sell them to?

A To I believe Galaxy. I'm not sure. I have the documents somewhere.

Q Did there come a time after the sale of this stock that you just testified to that you left Tidal Marine?

A Yes, sir.

Q When did you leave Tidal Marine?

A I physically left Tidal Marine June 30, '72.

Q Okay.

About that time, did you obtain an interest in a vessel called the Anasstasis?

A I did not.

Q Tell me about your experience with the Anasstasis.

A Anasstasis was to be my future after Tidal provided that I would have the money to put it together. I did not have the money and as a simple result, I could not have the ship as such.

Q Did you ever tell or speak with Harry Amanatides about paying off any bank officers to finance that ship?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q In connection with that ship, did you have any conversations with Mr. Amanatides, a conversation or conversations with Mr. Amanatides, about paying off bank officers for financing?

A Never did, sir.

MR. MARMARO: Objection.

THE COURT: Overruled.

Q I'm sorry?

A I never did, sir.

Q Did you have any such conversation with any bank officer?

A Never, sir.

Q Did you in connection with that ship fall into a debt of $95,000?

A Not in connection with the ship, no.

Q All right.

Tell me about the $95,000.

A That is another problem that I ended up with Tidal Marine. It was a personal loan at Chemical Bank for $95,000 which the funds were put into my personal account and generally transferred to Galaxy because of the tight money situation.

Q Who arranged for the loan?

A Harry Amanatides.

Q Did he tell you what was going to happen with the loan?

A The understanding and the promise was that the company would pay both the interest and the loan. That never happened.

Q Did he tell you that once the loan was made that the company would take the money?

A Yes, sir.

MR. MARMARO: Objection.

Q What happened? Did you guarantee that loan?

A That loan was a personal loan.

Q Personal loan.

What happened on that loan?

A It remained unpaid and eventually Chemical Bank came after me to collect.

Q What happened?

A I am paying and paying installments.

Q All right.

Mr. Naslas, you know, of course, that you have been charged with various crimes.

A Yes, sir.

Q While you were at Tidal Marine, is that right?

A Yes, sir,

Q You know you have been charged with paying money to Mr. Shevlin?

A Yes, I do. I am charged.

Q And I believe to Mr. Metzger, too, is that right?

A Yes.

Q You heard Mr. Shevlin's testimony about that, is that right?

A Yes, sir.

Q Did you ever deliver, to your knowledge, any cash

gwlt 5 Naslas-direct

to Mr. Shevlin?

A Never, sir.

Q Or to Mr. Metzger?

A No, sir.

Q Did Mr. Amanatides ever tell you that you had delivered money to any of these officers?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q Did you ever have a conversation with Mr. Amanatides about the payment of money to a bank officer?

A No, sir.

Q While you were at Tidal Marine?

A No, sir. Payment to a bank officer?

Q Delvery of money to a bank officer.

A No conversation as such. I once was told that I had just delivered money, but in such a way that --

Q No. You were told that; is that right?

A Yes.

Q Who told you?

A Harry Amanatides.

Q All right.

Do you recall a Christmas party--

A Yes, I do.

Q --Of which there has been testimony?

gwlt 6 Naslas-direct

A Yes, I do.

Q Is this your signature on Defendant's Exhibit S?

A Yes, it is.

Q Was December 21, 1971 the date of that party?

A Yes, it was.

Q Have you seen the pictures that have been put in evidence here?

A I haven't, but I know what the pictures are.

MR. FLEMING: Do you have them, Mr. Glekel?

Q I want to show you a series of pictures that are marked various numbers 170, 178, etc., Government exhibits.

Are those pictures of the party of December 21, 1971?

A Yes, they are, sir.

Q Is Mr. Shevlin in some of those pictures?

A It is primarily Shevlin and his date.

Q Did you hire the photographer who took these pictures?

A I asked him to come, yes.

Q Did there come a time, to your recollection, when he delivered the pictures of the party to you?

A Yes, sir.

Q All right.

When do you place that in time?

A It was very shortly after the party.

Q All right.

Can you be more precise than that?

Let me put it this way:

The party was December 21st. To your best recollection, did you receive the pictures before or after the first of the year?

A I really cannot answer that, but I think it was very shortly after the party.

MR. MARMARO: Objection and move to strike. The witness said he cannot answer.

THE COURT: He has answered. He says he cannot place it before or after the year, but it was shortly after the party.

Q Now, are those final pictures or were those the proofs to your recollection?

A These are the final pictures.

Q What did you do with the pictures? Generally, what did you do with them?

A I sent them to guests -- I had ordered certain copies of each of them and I put them in envelopes and I distributed them.

Q Did you have any conversations with Amanatides about those envelopes?

A I had distributed already a few or a certain number and I had a few on my desk still, and Mr. Amanatides came in to my office and he, as he always did, on everything he went through this stack of envelopes, and he pulled the two envelopes that were marked "Metzger" and "Shevlin" and he said, "These two you don't have to send because they are comi to the office today, you can give them to them."

Q When, to your best recollection, did that take place?

A This is between -- either the days between Christmas and New Year's or between New Year's and thereafter. I don't know. I cannot place a date.

Q How long after New Year's?

A I'm not even sure it was after New Year's, but I

know it was very shortly because the photographer wanted to get his money.

Q Did Metzger and Shevlin come that day?

A Yes, they did.

Q Did you see them?

A I saw them.

Q Did you have a conversation with them?

A Maybe a few words.

Q Did they take the pictures?

A They took the pictures.

Q After they left, did you have a conversation with Amanatides?

A Yes.

Q What happened?

A The moment the door closed behind them, Harry Amanatides came in to my office laughingly, very, very loudly, and saying to me, "You will have no more problems with Shevlin because you just gave him money."

Q What did you say?

A I don't know what I said. I couldn't understand the joke, if it was a joke, and I couldn't understand what he was saying, and I knew of no money that I gave to Shevlin, so I just didn't know.

And he kept hitting me on my back and he said,

"Don't worry, I'm joking," and this and that. But, he put a certain thought into my mind.

I remember being very careful watching both Shevlin and Metzger for a possible acknowledgement of some sort that something of that sort had taken place, which I never was able to see or detect.

Q Were you having conversations on the telephone with Shevlin and Metzger during this period of time?

A Daily.

Q What were those about?

A He was impossible.

Q What were the conversations about?

A They were about payments and they were about transfers and they were about loan quarterly payments approaching or becoming due and they were about -- I don't know -- he kept just calling every time. He wanted to talk to Harry, he wanted to know where Harry is that particular moment, he had heard a rumor about Tidal Marine, he wanted verification, talk to Harry, that sort of thing.

Q Did that change after you delivered the pictures?

A Not at all, sir. It became worse.

Q Did you ever hand Shevlin or Metzger or both of them a white envelope filled with cash?

A I never did, sir.

Q How about down in the lobby of the building?

A No, sir.

Q You have no recollection of Shevlin and Metzger coming up to your office and you taking them down in the elevator and handing each of them a white envelope in the lobby?

MR. MARMARO: Objection.

THE COURT: Sustained.

Q I take it you do not?

THE COURT: I said the objection is sustained.

Q Did you hear Mr. Shevlin testify about coming to your office and you taking him down in the elevator and giving him and Metzger a white envelope filled with money?

A Yes, I did. I did hear him.

Q Do you agree with him?

A No, sir.

Q Did that happen?

A No, sir.

Q On your oath?

A On my oath.

T5B MR. FLEMING: Judge, would this be an appropriate time for a recess?

THE COURT: We will go ahead a little while longer.

Q Let me show you R in evidence. You read Greek, don't you, Mr. Naslas?

A Yes, I do.

Q What is the name of that newspaper?

A New York Monthly Review.

Q That is the January, 1972, edition?

A This is the January, '72, edition.

Q Is there a message in there in Greek, a Christmas message from the Archbishop or something like that?

A Yes, sir, this is the Christmas message by the Archbishop in New York.

Q Are you referring to this right here (indicating)?

A Yes, sir.

Q Do you want to read a little bit of that in Greek in English.

MR. GLEKEL: Objection, your Honor.

THE COURT: Sustained.

MR. FLEMING: May I write a note?

THE COURT: You can write a note.

The jury may take a recess.

(Jury left)

1208

THE COURT: Now the jury has left, what is your point, Mr. Fleming?

MR. FLEMING: Your Honor, the point is that we believe the fact that there is a Christmas message in that issue tends to corroborate the publication date of that issue as being close to the first of the year, certainly not after January. And, we think --

THE COURT: Who said it was after January?

MR. FLEMING: I'm saying, to show that the publication was at or about the beginning of January, 1972.

THE COURT: You have already gotten on the record that there was a Christmas message there, but the patriarch's Christmas message is of no interest in this case.

MR. FLEMING: Your Honor, I don't --

THE COURT: You told him to read the message.

MR. FLEMING: I asked him to read some portion.

THE COURT: You told him to read the message in English, translate it in English. You keep telling me things that occur that don't occur during the trial.

(Recess)

(Resumed. Jury present)

BY MR. FLEMING:

Q Mr. Naslas, I show you a group of documents which is marked Government's Exhibit 53-A, and one of them is

hph 3 Naslas-direct

a copy or photostat of a check dated January 6, 1972, and it is pay to the order of cash, in the amount of $20,000, and there is the name on that of Costas Naslas.

Did you sign that check?

A Yes, I did.

Q And up here in the left-hand corner, it says: "Cash to Master ST Aquario."

A Yes.

Q When you signed the check, was that notation on it.

A I'm not sure. It probably was.

Q With regard to this check, January 6, 1972, $20,000 to cash, signed by you, what do you recall about the cashing of that check?

A This is a check on -- I don't know exactly which one, of several accounts that--

Q Talk to the jury, please. I will stand over .ere.

A That Mr. Amanatides had with National Bank of North America and I was a signatory on all of them.

Q How did you come to sign that check?

A Mr. Amanatides sent it to me or handed it to me, and this check was made and signed.

Q Is there an endorsement on the back of this check?

A Yes, there is.

Q What is the endorsement?

A Paul Katritsis.

T6A Q Does that mean anything to you with regard to that particular check?

A Only that apparently from that point on Paul Katritsis took the check and took care of the -- whatever it was.

Q Do you have any recollection of whether Mr. Katritsis gave you the $25,000 in cash?

A He did not.

Q All right.

I want to show you another check, which is part of Government's Exhibit 17-G, and this is dated January 28, 1972. It's in the amount of $20,000. It is payable to cash. It bears a signature of Costas Naslas.

Did you sign that check?

A Yes, I did.

Q It bears some writing in the upper left-hand corner.

Do you recognize that writing?

A Yes, I do.

Q Whose is it?

A This is my own.

Q What does it say?

A It says, "MT Aquario-to Master, 1/28/72."

Q Do you have any recollection as to how you came to sign that check and to make that entry?

A I was somehow instructed to produce this check and this indication was not there when I signed it, and I made sure that this indication was put there at the time I signed it.

Q Do you recall who, if anyone, gave you the instructions to prepare that check?

A It couldn't have been other than Harry Amanatides.

MR. MARMARO: I object.

THE COURT: Strike it out.

Q Do you have a recollection as to who asked you to sign that check?

A It was Harry Amanatides.

Q All right.

What did you do with the check, to your recollection?

A This check was sent to the bank.

Q Do you recall who took it to the bank? Do you have any independent recollection?

A No recollection, no.

Q Did you hear Mr. Pyrpyris' testimony?

A Yes, I did.

Q Do you challenge it?

A Not at all.

Q Do you recall whether or not you received the cash from that check?

A I probably did.

Q What is your recollection in that regard as to receiving the cash and what you may have done with the cash?

A This was Mr. Amanatides' money from his own account. I received the money from Mr. Pyrpyris and I handed it over to Mr. Amanatides.

Q During the period we will say September 1, 1971, to your resignation, the end of June of 1972, do you have a recollection of how many companies of Tidal you were an officer?

A I was an officer on just about every one of them.

Q How many would that have been?

A Between -- I don't know. Over a hundred, I would say.

Q Would these include the individual companies which owned the ships?

A Yes, sir.

Q Do you have paper to sign checks for any of those companies?

A I was a signatory on every account that was

in New York.

Q Did you have authority to execute promissory notes for any of those companies?

A Yes, sir.

Q Did you execute promissory notes?

A Yes, sir, I did.

Q Did you sign checks?

A Yes, I did.

Q Do you have any idea how many checks you signed between September, '71, and June, 1972?

A Very many.

Q By the way, did you ever offer Mr. Shevlin a stereo set on Mr. Amanatides' behalf?

A No, I did not.

Q Did you ever offer him any golf clubs?

A I remembered conversations about the golf clubs that had been in Mr. Amanatides' office for a very long time. It was right there in the way and at some point it was delivered to Mr. Shevlin.

Q Okay.

Do you know anything about the makes of golf clubs? Do you play golf?

A No, sir.

Q What is First Flight?

A I wouldn't know.

Q I want to direct your attention to the other specific charges against you in this trial, Mr. Naslas.

Have you read the charges against you?

A Yes, I have.

Q I want to direct your attention to what is captioned count 51. This alleges a conspiracy between Harry Amanatides, Ion Livas, Costas Naslas, Paul Katritsis, Michael Blonsky and James Hanlon to make false statements in connection with a loan of 5.5 million dollars made to Aries Navigation Corp. and Pisces Navigation Corporation on or about December 24, 1971.

Have you read that?

A Yes, I have.

Q Did you so conspire?

A No, sir.

Q It is alleged in this count that Ion Livas formed a corporation called Union Commercial Shipping Company Limited.

Do you know anything about that?

A No, sir.

Q It is also alleged that --

MR. GLEKEL: Your Honor, objection to the form.

THE COURT: He hasn't finished his question yet.

Q It is alleged that Amanatides, Livas and Blonsky prepared and caused the preparation of two false and fictitious time charter parties under date of November 24, 1970, between BP Tanker Company Limited and Antares Navigation Corp. on the vessel Tekton for five years.

Did you know that Amanatides, Livas and Blonsky had done that?

A No, sir.

MR. MARMARO: Objection.

THE COURT: The objection is sustained and the answer is stricken out.

I don't see anything at all like that. Would you call it to my attention?

MR. FLEMING: Paragraph 4, your Honor.

THE COURT: Paragraph 4?

MR. FLEMING: Count 51.

THE COURT: Did you read the whole of paragraph 4 of just part of it?

MR. FLEMING: I read down to the number 2 since that involved a different number.

THE COURT: I suppose that the objection was because you said it is alleged that, and there is more than that alleged. So for that reason I suppose I

sustained the objection only as to form.

You are correct, so much as you did state is stated there.

MR. FLEMING: May I start then with --

THE COURT: You can start anywheres you want. You can repeat the question. I am not barring you from repeating the question.

MR. FLEMING: I just wanted to take one charter at a time. I will read the entire thing.

THE COURT: Then what you want to do is say it is alleged in part that, and then you don't have to read the whole thing.

MR. FLEMING: Very well, your Honor.

a.m. gwlt 1 Naslas-direct

Q Paragraph 4, it is alleged in part that Amanatides, Livas and Blonsky would and did prepare the cause and preparation of two false and fraudulent fictitious time charter parties as follows:

One, under date of November 24, 1970, between BP Tanker Company, Ltd. and Antares Navigation Corporation on the vessel Tekton for five years.

Did you know anything about Amanatides, Livas of Blonsky doing that?

A No, sir.

Q And then it is further a part of that allegation that Amanatides, Livas and Blonsky also under date of December 7, 1970 created a false charter between BP Tanker Company, Ltd. and Alkaid Navigation Corporation on the vessel Tropis for five years.

Did you know anything about that?

A No, sir.

Q What was Antares Navigation Corporation, to your knowledge?

A The owning corporation, Liberian owning corporation of the ship Tekton.

Q Who owned Antares?

A Galaxy.

Q Who owned Galaxy?

A Tidal Marine.

Q All right.

What did you know about Alkaid Navigation Corporation?

A The same thing, only the owner of the Tropis.

Q Paragraph 5 alleges that in or about December 1971 the defendant Michael Blonsky would and did sign the name "Ashford" to the aforesaid time charter parties purportedly reflecting agreement to the aforesaid charter parties by BP Tanker Company, Ltd.

Did you know anything about Blonsky signing the name Ashford?

A No, I did not.

Q Did you know anything about Blonsky practicing the name "Ashford" in London?

A No, sir.

Q With regard to you, Mr. Naslas, it is alleged in overt act number 3 that on or about the 30th day of December, 1971, Costas Naslas and Hames D. Hanlon signed a power of attorney.

Do you recall signing a power of attorney in connection with the Tropis or the Tekton?

A I do not recall signing it.

Q What do you recall, if anything?

A I recall that the ship -- this particular ship had to be registered or whatever and a power of attorney was required.

Q Did you know that there had been a financing with regard to these two ships in December 1971?

A Yes.

Q Did you know of any fraud or false statements in connection with that financing?

A None whatsoever.

Q Mr. Naslas, you are also charged in Count 62 in connection with the financing of the sale of the vessel Aris.

Did you know that the Aris was being sold?

A Yes, I did.

Q It is alleged that in or about November or December of 1971, Amanatides and Blonsky would and did prepare and cause the preparation of a false, fraudulent and fictitious time charter between Leo Navigation Corporation, a subsidiary of Tidal Marine International Corporation, and Wintershall A.G. of Kassel, Germany purporting to reflect the existence of a 60-month charter by the aforesaid Wintershall A.G. of Kassel, Germany on the vessel Aris from the aforesaid Leo Navigation Corporation.

Did you know that Amanatides and Blonsky had

prepared an owning charter?

A No, I did not.

Q Did you know what Leo Navgiation was?

A It was the Liberian corporation that was the owner of the vessel Aris.

Q That was a Tidal Marine subsidiary?

A It was a Tidal Marine subsidiary.

Q Had you ever heard of Wintershall A.G.?

A Never did.

Q Do you recall witnessing Mr. Amanatides' signature on a document within a four to six week period of time before the sale of the Aris?

MR. MARMARO: Objection.

THE COURT: Overruled.

A I don't believe I have witnessed Mr. Amanatides' signature many times. I have a very specific recollection of doing so in London. I'm not sure if it was November or December, but it could be the time that I was in London. I was in operations department with the people in the middle of something --

THE COURT: The question was:

Did you witness his signature and not this long explanation.

THE WITNESS: Yes, I did.

THE COURT: Strike out the answer.

Q Can you tell us the circumstances as you recall them of witnessing Mr. Amanatides' signature?

A I have a very specific recollection of one instance in London when I was in the operations department with the people there in the middle of something when Mr. Amanatides walked in with a document in his hand which was folded with the last page of it on top of it, and he had already signed that document and he came to me and he said, "Costas, please witness my signature," and I did.

Q Did you know what the document was?

A No, I don't.

Q Did you ask?

A No, I didn't.

Q Did you read it?

A No, I did not.

Q It is alleged in Count 62 that on or about December 29, 1971, you, Costas Naslas, signed a contract conveying the vessel Aris from Leo Navigation Corporation to Spartan Pride Shipping Company, Ltd., which contract warranted that the vessel Aris had been time chartered to Wintershall A.G. For a period of 60 months.

Did you sign such a contract to your recollection?

A Yes, I did.

Q Did the contract, to your recollection, warrant, represent, that the Aris had been time chartered to Wintershall A.G. for a period of 60 months?

A Yes, it did.

Q Did you believe that statement with regard to that charter to be true or false?

A Yes, I did, to be true.

Q What was Spartan Pride Shipping Company, Ltd., to your knowledge?

A It was the buyer of the vessel Aris.

Q And who owned that company, to your knowledge?

A It was Panayotopulos' interest.

Q Michael Panayotopulos?

A Michael Panayotopulos.

Q Count 63 charges again that Amanatides, Costas Naslas and Blonsky did make a false statement, to wit, that the vessel Aris had been time chartered to Wintershall, A.G. of Kassel, Germany, under the charter party dated 16, 1971, in terms that the Wintershall charter will be 60 months, more or less at charterer's option.

Did you know of that 60-month charter?

A Yes.

Q In connection with the Aris?

A Yes.

Q Did you believe that to be true or false?

A True.

Q You are also charged in Count 65 and Count 65 charges that Amanatides, Livas, Blonsky, Naslas, Katritsis and Hanlon conspired to make false statements in connection with a loan on the sale of the vessel Tachys.

Are you familiar with that count?

A Yes, I am.

Q Did you conspire with those people to make false statements?

A No, I did not.

Q This count alleges with regard to you, Mr. Naslas that on or about the 4th day of February, 1972, the defendant Costas Naslas signed a letter addressed to National Bank of North America which stated in part:

"There is in existence between Endeavor and BP Tankers,Ltd. a time charter dated November 20, 1971, for the Tachys for a period of five years at the rate of pound sterling 2.008 for dead weight ton per month."

Did you sign such a letter?

A Yes, I did.

Q When you signed that letter, did you believe that there was a five-year BP charter on the Tachys?

A Yes, I did.

Q Count 66 also alleges that you made a false statement that the Tachys had a five-year charter. Did you believe the Tachys had a five-year charter?

A Yes, I did.

Q I believe finally, Count 76 alleges that on or about the 16th day of June, 1972, Amanatides, Livas, Naslas and Hanlon made a false statement on the report, to wit, that Mark Scufalos had owned 100 percent of the shares of Epidavros Shipping Company, Ltd. from March 11, 1971 to date. And, that is in connection with the loan, I believe, on the Tagma.

Do you recall the loan on the Tagma?

A Yes, I do.

Q What do you recall about Epidavros Shipping Company?

A A Liberian company that owned the vessel Sunday Sabella, renamed Tagma.

Q Did you make any statement that Mark Scufalos owned 100 percent; do you recall?

A Did I make statements? I'm not sure I understand the question.

MR. FLEMING: I withdraw the question.

Q Was it your understanding, honest understanding, that Mark Scufalos did own Epidavros Corporation?

A Yes, sir.

Q I want to direct your attention, Mr. Naslas, to October 3, 1975. Had you met a man named John Gordan?

A Yes, I have.

Q On that day, October 3, 1975,did you go to Mr. Gordan's office?

A Yes, I did.

MR. GLEKEL: Objection, your Honor.

THE COURT: Overruled.

Q Did Mr. Gordan ask you certain questions?

A Yes, sir.

Q Did you give certain answers?

A Yes, sir.

Q You testified about an incident where you delivered photographs to Shevlin and Metzger. Do you recall that?

A Yes.

Q And about what Amanatides said to you.

A Yes, sir.

Q Did you tell Gordan that story?

MR. GLEKEL: Objection, your Honor.

THE COURT: Sustained.

(Pause.)

THE COURT: Mark the note that has been handed up

as Court's Exhibit 14.

(Court's Exhibit 14 marked.)

THE COURT: I will ask Mr. Glekel to look at the first two sentences and let me know on a separate piece of paper what his response is.

(Pause.)

THE COURT: Show Mr. Fleming the government's response.

(Handed.)

THE COURT: It appears to me that the matter raised now is anticipatory in connection with a collateral matter, not independently relevant, and the objection will be sustained at this time.

MR. FLEMING: I have just finished my note, your Honor. Your Honor has excluded the question?

THE COURT: That's right.

MR. FLEMING: I have no further questions at this time.

THE COURT: All right, cross examination.

MR. FLEMING: Your Honor, what is the number assigned to the last note?

THE CLERK: 14.

CROSS EXAMINATION

BY MR. MARMARO:

Q Mr. Naslas, I want to direct your attention to Government's Exhibit 17G, and the check on that exhibit.

You testified, I believe, that your handwriting is on that check, is that not correct?

A Yes.

Q The notation on that check is "Cash to Master of Aquario"?

A Yes.

Q And you signed that check?

A Yes.

Q Mr. Naslas, where was the Aquario located on January 28, 1972?

A I don't know exactly where, but it was in the Maracaibo-Curacao-Dominican Republic triangle.

Q And you signed the check for the master of the Aquario?

A As it appears here, yes.

Q I want to show you Government's Exhibit 53A and direct your attention to a check on that exhibit.

That check has your handwriting on it, does it not?

A It has my signature, yes.

Q What is the notation on that check?

A "Cash to Master M.S. Aquario."

Q Where was the Aquario on January 6, 1972?

A I don't know exactly, but it should be in that same area.

Q Mr. Naslas, just how is the cash going to get to the master of the Aquario?

A That was not my problem.

Q Mr. Naslas, on January 5, 1972, isn't it a fact that you ordered a wire transferred money down to the Aquario?

A The record shows I did.

Q And you did that by cable, is that not right?

A I did.

Q That is, you ordered the bank here in New York to send money by cable to Willemstad, is that correct?

MR. FLEMING: That has been asked. Objection. Repetitive.

THE COURT: Overruled.

Speak up so I can hear you.

MR. MARMARO: Will the reporter read the question, please?

(Question read.)

A Yes, it is.

Q In February, 1972, did you not order another wire transfer to the Aquario?

A The record shows I did.

Q And that too would be ordering money sent by cable from New York to a bank in Willemstad?

A That's right.

Q And that is for the Aquario?

A Right.

Q Why is it on January 28, 1972? You just didn't wire the money down?

A This vessel was a very peculiar vessel. It was not a Galaxy Steamship London operated vessel. It was a vessel working under what I understood to be terrible circumstances and conditions in a remote place, and there were constant, lasting problems with the ship, lots of requests for money, some problems with the crew revolting because of that, repairs delaying the ship because of that, and a number a great number of problems.

If you are referring to that particular period, end of January, I had visited the ship myself and I had witnessed some of the problems and I had come back and I had reported them and it was absolutely necessary that something should be done about the money.

Q But my question was, why didn't you wire the money

down?

A Because Mr. Amanatides, whose accounts these were, requested, instructed or caused these checks to be produced they way they were.

Q But on January 5th, you wired the money down?

A Very possible.

MR. FLEMING: Objection.

THE COURT: It has been asked and answered. Go ahead.

Q You say you visited the Aquario. When was that?

A Late January '72.

Q Was that before or after you wrote the check on January 28, 1972?

A It was probably before.

Q Do you know was it before or after?

A I don't remember.

Q You say you had a conversation with Mr. Amanatides in January of '72, is that right?

A Conversation with Mr. Amanatides?

MR. FLEMING: I object to the form of the question, your Honor.

THE COURT: Just leave out "you said".

Q Did you have a conversation with Mr. Amanatides in January of 1972 concerning certain photographs?

A Conversation regarding photographs, yes.

Q Those were photographs for the Tidal Marine Christmas party, is that correct?

A It was in connection with that, yes.

hph 1 Naslas-cross

T7B

Q There were two batches of photographs, one batch for Mr. Shevlin and one for Mr. Metzger?

A Two envelopes with photographs.

Q Is it your testimony that Mr. Shevlin and Mr. Metzger came down to Tidal Marine's office to pick up those envelopes?

A Yes, it is.

Q Is it your testimony that you gave them the envelopes?

A Yes, I did.

Q Is it your testimony that after you gave them the envelopes, Mr. Amanatides came out and told you you had just given $10,000 to Mr. Shevlin?

A Yes.

Q What about Mr. Metzger? Did Mr. Amanatides say anything about Mr. Metzger?

A I believe he said the same thing about Mr. Metzger, but he was referring to Shevlin with whom I was having daily problems.

Q But he did say you had just given $10,000 to Metzger as well?

A I believe he did, yes.

Q This was January of 1972, right?

A Yes, it was.

hph 2 Naslas-cross

Q I show you Government's Exhibit 180 in evidence, and ask you to take a look at it. Is this one of the envelopes you delivered to either Mr. Metzger or Mr. S evlin?

A I'm not sure.

Q Does this bear the stamp of the photographer who took the pictures of the Tidal Marine party?

A Yes, it does.

Q And was it in an envelope similar to this that you delivered the pictures to Metzger and Shevlin?

A I remember a yellow envelope. I also remember office supply envelopes because there were quite a few people I was sending the pictures to. I don't think I would have that many photographer's envelopes.

Q Was it in a photographer's envelope or not, do you recall that?

A I do not recall.

Q From January, 1972, on, you stayed with Tidal Marine for how many months?

A I left Tidal Marine June 30, 1972.

Q So that after January you were there about six months, is that right?

A Yes, sir.

Q And during this period, you had contact with

hph 3 Naslas-cross

bank officers from the National Bank of North America, didn't you?

A Yes, I did.

Q You had contact with Shevlin?

A Yes.

Q Did you have contact with Metzger?

A Yes, I did.

Q The men whom Harry Amanatides told you you had handed $10,000 apiece to?

A Yes.

Q And you participated in loan transactions, did you not?

A I don't know what you mean by that.

Q You participated in the Tachys transaction, didn't you?

MR. FLEMING: I object to the form of that, your Honor.

THE COURT: Overruled. You may answer.

A I don't know how you mean by participation in the transaction.

Q You were present at the closing?

A Yes, I was.

Q At the closing you signed a guarantee?

A I signed several documents including the guarantee,

Q I show you Government's Exhibit 252 in evidence and ask you if you recognize that.

A Yes, I do.

Q That is the guarantee signed at the closing, is it not?

MR. FLEMING: Your Honor, I do object to jumping in on the answer by Mr. Marmaro. I will ask him to slow down a little bit.

THE COURT: Slow down.

JUROR NO. 9: I can't hear Mr. Fleming, your Honor.

THE COURT: We will have Mr. Fleming speak up.

Q That is the guarantee you signed, isn't it?

A This is one of the documents signed at the closing.

Q That made Tidal Marine the guarantor on the Tachys charter, did it not?

A There is a Tidal Marine guarantee here, yes.

Q My question is, that made Tidal Marine the guarantor on the charter for the Tachys, did it not?

A It's a guarantee by Galaxy, and Tidal guarantees Galaxy's obligation.

Q And you signed the Tidal Marine guarantee?

A I signed for both.

Q And Galaxy guarantees performance under the Tachys charter, does it not?

b2 A I'm sorry?

Q Galaxy guarantees performance under the Tachys charter, does it not?

A Yes, it does.

Q You received this at the closing, did you not?

A This was presented at the closing.

Q Isn't it a fact you were quite surprised when you received this document?

A I don't know if I was surprised. This is one of the documents that have typed on it: To be typed or placed on letterhead of such and such, and it is admittedly a document that you didn't see in every closing. So, it may have made a certain impression.

Q Isn't it a fact you did not sign this as of course at the closing?

A I don't know.

Q Isn't it a fact that you left the room with this?

A I don't know that either.

Q And then came back and signed it, isn't that a fact?

A I heard testimony. I'm not sure about that.

Q I am asking yes or no, isn't that the fact?

A As to leaving the room, I may have left the room. It was during the day and I may have gone in and out several times.

Q Isn't it a fact that from January, 1972, on Tidal Marine was having serious cash problems?

A Yes, it is.

Q And therefore required a great deal of bank financing, isn't that a fact?

A Required moneys, yes.

Q Do you know a man named Frank Marone?

A Yes, I do.

Q Who is Frank Marone?

A He was a vice president at the Bank of America, New York office on Broad Street.

Q And Galaxy Steamship Corporation had a lending relationship with the bank, did it not?

A Yes, it did.

Q Galaxy made several short term loans?

A Yes.

Q And these loans were all handled by Frank Marone, were they not?

A Possibly. I don't know.

Q Did Frank Marone work on Tidal Marine business at the Bank of America?

A He was the officer in charge, yes.

Q And you dealt with him from time to time, did you not?

A Not with Mr. Marone, no.

Q In July of 1971, didn't you pay for a trip for Mr. Marone and his family to Greece?

A No, I did not.

Q Did you receive an invoice?

A I received an invoice.

Q Was that invoice for airplane tickets for Frank Marone and his family?

A Yes, it was.

Q That is the Frank Marone who was the banker at Bank of America?

A Yes.

Q And you caused that invoice to be paid, did you not?

A No, I did not.

Q What did you do with it?

A I sent it to Mr. Amanatides.

Q The invoice was paid?

A I don't know what happened to it.

Q Did Mr. Amanatides tell you to pay this?

A No, he did not.

Q So it is your testimony that you sent this to Amanatides?

MR. FLEMING: Objection.

A Yes, there is a letter to that effect.

MR. FLEMING: If I stand up, Mr. Naslas, let me make my objection.

Objection.

THE COURT: Have you made an objection or did you just announce something to the witness?

MR. FLEMING: I said objection.

THE COURT: Sustained.

Q Who ordered the tickets for the Marone trip to Greece?

A I don't know.

Q Do you recall being interviewed by Mr. Gordan?

A Yes, I do.

Q Do you recall telling Mr. Gordan--

MR. FLEMING: I object to this, your Honor.

THE COURT: Overruled.

Q Do you recall telling Mr. Gordan that you had purchased the tickets for Mr. Marone and his family?

A I purchased the tickets, yes.

Q And do you recall telling Mr. Gordan that you were 99 percent certain that Amanatides told you to do so

A Yes, sir.

Q Mr. Naslas, you participated in a financing on the Tama, did you not?

A No, I did not.

Q Were you present at the close on the Tama?

A Yes, I was.

Q When was that?

A Where?

Q When.

A April, 1971.

Q And that was at the National Bank of North Ameri was it not?

A No, it was not. It was at the Greek consulate.

Q The financing was with the National Bank of America?

A I don't know anything about the financing.

Q You were present at the closing?

A Yes, sir.

Q Do you remember man by the name of Joseph Peter Flemming being present?

A Yes, I do.

Q Do you remember John Shevlin being present?

A Yes, sir.

Q Do you remember Mr. Shevlin asking you after

the closing whether there was a charter on the vessel?

A I do not.

Q Do you remember telling him there was a charter and there was no problem?

MR. FLEMING: I object.

THE COURT: Overruled.

A If we talked about the charter, I told him there was a charter.

MR. MARMARO: Your Honor, may I have a responsive answer?

THE COURT: I think he has responded to your question. He said if they talked about it, he told him there was a charter. When you get through with this subject, we will recess.

MR. MARMARO: I may be on this for a little while, your Honor.

THE COURT: Then we will take a recess at this time for lunch. Please return at 2 o'clock.

(Jury left)

(Recess t 2 P.M.)

AFTERNOON SESSION

2 P.M.

(In open court; jury present.)

C O S T A S N A S L A S, resumed.

THE COURT: Go ahead.

CROSS EXAMINATION CONTINUED

BY MR. MARMARO:

Q Mr. Naslas, I want to direct your attention back to the two checks that were made out to cash, Master of the Aquario.

Do you recall those checks?

A Yes, I do.

Q Those checks were drawn on the account of Eldorado Investments; is that correct?

A One is. The other I'm not sure which account it is because it doesn't have the name printed.

Q The check on January 28th was drawn on the account of Eldorado Investments; was it not?

A Yes.

Q You are a signatory of that account, are you not?

A Yes.

Q I would like to show you what has been marked as Government's Exhibit 1201 for identification.

I ask you if you can identify this document?

Are those the account resolutions and signature records for Eldorado, National Bank of North America?

A Yes.

Q Does your signature appear on these resolutions?

A Yes, my signature is here.

Q Does Harry Amanatides'?

A Yes.

MR. MARMARO: Your Honor, we offer this exhibit into evidence.

(Pause)

MR. FLEMING: No objection. We have no objection, your Honor.

THE COURT: Received.

xx (Government's Exhibit 1201 received in evidence.)

Q Mr. Naslas, was Amanatides an authorized signatory of the Eldorado account?

A He was and he was an officer of the corporation, too.

MR. MARMARO: I would briefly like to show Exhibit 1201 to the jury, your Honor.

(Mr. Marmaro read from Government's Exhibit 1201 to the jury.)

Q Mr. Naslas, directing your attention to the Tama, you testified before the recess that you were present

at the closing at the Greek consulate; is that correct?

A Yes, I was.

Q Do you recall what bank was financing that purchase?

A The National Bank of North America.

Q Do you recall the amount of the loan?

A Not certain. I believe it's $4,000,000.

Q Do you recall if you signed any documents in connection with this closing?

A I probably did.

Q Do you recall if youdid or you did not?

A I don't remember such, but I probably did.

Q Let me show you Government's Exhibit 264 in evidence and direct your attention to what has been marked as 264X and ask you ifyou recall signing documents in connection with this closing.

A Whether I signed this particular document?

Q Yes.

A My name is here, yes.

Q Would you look through Government's Exhibit 264 and see if that refreshes your recollection as to whether you signed other documents?

A The entire file?

Q I would direct your attention to the items which have been marked with the yellow pieces of paper.

A Yes, I did.

Q So you signed many documents in connection with this closing, is that right_

A Yes.

Q Is it your testimony that you do not recall Mr. Shevlin asking you whether there was a charter on the Tama?

A Yes, it is.

Q And you do not recall telling him that there was a charter?

A I said if he asked me, I told him that there was.

Q The Tama loan was for $4,000,000, is that

correct?

A Yes.

Q And the term for repayment was to be five years, is that correct?

A I don't know that.

Q Was it a term of years?

A Sir?

Q Do you know if the repayment period was a term of several years, in the vicinity of five years?

A It was probably over a number of years. I don't know how many.

Q This loan was repaid early, was it not?

A This loan was repaid early?

Q Isn't it --

MR. FLEMING: Wait a second. I don't think Mr. Naslas answered the question.

THE COURT: Was the loan repaid early, he is asking you.

MR. MARMARO: I will withdraw that question, your Honor.

Q Isn't it a fact that that loan was repaid in September of 1970?

A As best as I can remember, this loan was repaid and moved to London.

Q Isn't it a fact that the reason it was repaid was because the bank had not received its security on the loan?

A I don't know that.

Q ISn't it a fact that part of the proceeds of the Trechon loan at the National Bank of North America went to pay off this loan?

A I don't know that either.

Q Let me show you Government's Exhibit 1105 for identification and ask you if this refreshes your recollection, drawing your attention particularly to the paragraph that has been clipped?

A There is a reference to the Tama or whatever.

Q Does this refresh your recollection as to whether the Tama loan was repaid in part from the Trechon loan?

A No, it doesn't.

Q Does your name appear on this or your initials appear on this telex?

A It has my name at the bottom, yes.

Q Is this a Tidal Marine telex?

A This is a communication to -- I think to Greece.

MR. MARMARO: Your Honor we offer this exhibit into evidence.

(Pause.)

THE COURT: Is there any objection?

MR. FLEMING: I'm reading it, your Honor. I haven't seen it before.

(Pause.)

MR. FLEMING: No objection.

(Government's Exhibit 1105 was received in evidence.)

p.m. hplt 1 Naslas-cross 1112

MR. MARMARO: I would like to read a brief portion of this to the jury.

(Mr. Marmaro read to the jury from Government's Exhibit 1105 in evidence.)

Q Mr. Naslas, the security for the Tama loan was a charter, is that right, in part?

A Yes.

Q Isn't that how ship financings generally work?

A Yes.

Q And the bank looks to repayment in part from the charter hire payments, is that correct?

A They do.

Q So when the charter hire comes in the bank gets its loan repaid, is that right?

A Yes.

Q When the charter hire doesn't come in, the bank might not get its loan repaid, is that correct?

A Yes.

Q Let me direct your attention to the vessel named Triena. Are you familiar with that?

A I know the name, yes.

Q Is that a Tidal Marine vessel?

A Yes.

Q Did you participate in the management of this

vessel?

A Not at all.

Q Did you participate in the payment of any of the loan repayments on this vessel?

A If the loan was in New York, it was serviced in New York.

Q Do you recall personally participating in any of the repayments?

A I don't know what you mean by participating.

Q Did you sign any checks to the bank?

A If there were payments to the bank, I may well have signed them.

Q Is it a fact that this vessel was said to be on charter to Unimar GMBH, Unimar Seetransport?

A I don't know the specific charter, but I know there was a charter that went with the ship.

Q Isn't it a fact that the Unimar Seetransport charter did not exist?

A When?

Q During 1970 and '71.

A Not to my knowledge.

Q Isn't it a fact that this loan was not repaid from charter hire but was repaid by Galaxy in New York?

A If I recall correctly, the Triena was managed and

operated out of the Piraeus office.

Q Loans are supposed to be repaid by charter payments, are they not?

MR. FLEMING: Asked and answered. I object, your Honor.

THE COURT: Overruled.

A Yes.

Q Let me show you what has been marked as Government's Exhibit 763 for identification, 764, 765 for identification, 766 And, I will mark this as 765A.

Do you recognize those documents, Mr. Naslas?

A Yes, I do.

Q Are these checks made out to a Drama Navigation Company?

A Yes.

Q That is the company that owns the Triena, is that not right?

A Yes.

Q Do these checks bear your signature?

A Yes, they do.

MR. MARMARO: Your Honor, we move these exhibits be placed into evidence.

MR. FLEMING: No objection, your Honor.

(Government's Exhibits 763, 764, 775, 775A and 776 were received in evidence.)

Q Mr. Naslas, directing your attention to these exhibits, isn't it a fact that these exhibits were used to pay loan installments on the Triena loan?

A These are checks made from Galaxy Steamship Company, Corporation, whatever, to the name of the owning corporation of the Triena. This is what they appear to be.

Q And these checks were used to repay the Triena loan, isn't that a fact?

A And that could be the reason they were made, yes.

Q This loan is supposed to be paid by charter hire, was it not?

A These payments -- I am trying to think back -- but, these payments were probably in payment of the loan for the hire money was not paid in this particular account, if that's what you're saying.

Q It wasn't paid because the vessel was not on charter to Unimar, is that correct?

A That I don't know.

Q Isn't it a fact that the charter hire did not service the repayment on the Triena loan?

A I don't know.

Q Mr. Naslas, you testified that you were in charge

Q I show you Government's Exhibit 103 and 104

of operations in New York for Tidal Marine, is that correct?

MR. FLEMING: I object to that question, your Honor. The form.

THE COURT: Overruled.

Did you so testify?

THE WITNESS: I testified that I worked for Royal Steamship, which for a period was the manager and subsequently became the agent for the --

THE COURT: Did you testify as requested by the question, did you testify that you were in charge of operations?

THE WITNESS: I don't think I did.

Q Did you participate in the management of the Tidal Marine vessels?

A Again, I don't understand how you mean the question.

Q Did you or didn't you participate in helping manage Tidal Marine vessels?

A The managing of the ship is performed by the manager. If you are the manager, you participate in the managing of the ship. If you are not the manager, you cannot participate.

Q Didn't you receive telexes saying a charter hire had been paid on the vessels?

A This is not managing.

Q Didn't you receive telexes that charter hire had been paid on various marine vessels?

A Telexes were coming all the time. I don't know what period you are referring to, but there must have been telexes to the agent which was Royal Steamship.

Q And you were employed at Royal Steamship?

A I was.

Q And you dealt with various problems that would arise with Tidal Marine vessels such as problems relating to the crew, repairs; did you not?

A Yes, I did.

Q Isn't it a fact that Tidal Marine purchased ships from Union Commercial in March of 1971?

A Yes.

Q Isn't it a fact that these ships were financed, part of these ships were financed at National Bank of North America in 1971?

A Yes.

Q And isn't it a fact that that loan was obtained by Mark Scufalos who said that he was attempting to buy out his partner's interests in those vessels?

A For that part of the question that it was arranged by Mr. Scufalos, I agree. How he did it, I don't know.

Read him the question again.

Q Were these vessels on charter at the time this financing was arranged?

A These vessels were managed, represented and operated by Union Commercial which was Mr. Scufalos.

Q Are you familiar with whether these vessels were on charter or not?

A There were ships that I know that were on charter, yes.

Q Were any of the vessels on charter with Transoceanic?

A Yes.

Q What was Transoceanic?

A Transoceanic, as far as I knew in those days, was a company in Greece.

T2B

Q Did Mr. Livas have an interest in Transoceanic?

A Eventually we heard that Mr. Livas had an interest yes.

Q Isn't it a fact that the bank did not receive sufficient charter hire on the six dry cargo vessels to pay off the loan?

A There were problems with the servicing of the loan, yes.

Q Isn't it a fact that many of these vessels were off-hire for much of the time?

A That again I don't know because I had nothing to do with the day to day operation of the ships.

Q Isn't it a fact that these vessels were not actually on charter with Transoceanic?

A I don't know that either because there is something about sub-chartering there which makes it a little complicated.

Q Didn't you participate at all in making any loan repayments on the six dry cargo loan?

A I was brought in the picture a few times, yes.

Q Didn't you know that the loan was not being repaid by charter hire?

A No. That was not the understanding. The understanding at the time was that there was a lot of confusion

between Union Commercial and National Bank of North America as to funds from hire or whatever to service the loan.

Q The loan was not serviced by charter hire, was it?

A I know there were problems. I don't know exactly how it was serviced.

Q Charter hire is supposed to service the loan, is it not?

MR. FLEMING: I object to that.

Q I direct your attention to May, 1972, Mr. Naslas. Isn't it a fact that you applied for a loan with the National Bank of North America to cover the third quarterly installment on these vessels?

A I think I remember a note for a substantial amount which was paid in something like 48 hours.

Q My question is: Didn't you apply for the loan at National Bank of North erica to cover the third--

A I did not.

Q Didn't you sign a note?

A I may have, yes.

Q Didn't you sign that note on behalf of Galaxy Steamship Corporation?

A That's very possible.

Q And Galaxy is the principal operating subsidiary of Tidal Marine, is it not?

A Galaxy Steamship Corporation is not an operating company. It is a subsidiary of Tidal Marine.

Q And you obtained this note on behalf of Galaxy?

A I signed the note, yes.

Q This note was to pay off the third quarterly installment on the six dry cargo loan, was it not?

A It's possible.

Q That was the loan obtained on the vessels sold to Tidal Marine, was it not?

A This was for servicing a certin Tidal Marine obligation or loan or whatever.

Q Mr. Naslas, you are familiar with the purchase of four vessels by Tidal Marine from Karageorgis in February of 1971, are you not?

A I know that Tidal Marine purchased four ships, yes.

Q From Karageorgis?

A From MAK, Karageorgis.

Q And these ships were subject to BP charters for three years, were they not?

A These ships, as far as I know, had one charter that they were performing under and another charter coming on.

b2 Q And that charter was with BP for three years, was it not?

A I'm not sure I knew that at the time.

Q Did you know it while you were working at Galaxy?

A Sir?

Q Did you ever learn that these ships were on three-year time charters with BP?

A I don't think I did while I was there, no.

Q Were you managing the ships?

A No, I was not.

Q Did you ever receive any telex communication concerning charter hire on these ships?

A I probably did, if the loan was in New York.

Q When Tidal Marine bought these ships from Karageorgis, weren't they subject to charters at the time?

A Yes, I believe they were all on charter.

Q So that these charters came with the vessel?

A Yes.

Q Did you participate in the financing of a vessel named the Tekton?

A I did not participate in financing of the Tekton or any other ship.

Q Were you present at a closing in May of 1971 on

the Tekton?

A I was there, yes.

Q That was at the Bank of America, was it not?

A I don't recall Bank of America. I remember very vaguely an office in New York. I'm not sure where it took place.

Q The financing bank was the Bank of America, was it not?

A The financing bank was Bank of America, London.

Q When the Tekton was financed it was represented to the bank, was it not, the vessel was on a three-year BP charter?

A I didn't know that.

Q Do you know what Antares Navigation Corporation was?

A A subsidiary company of Tidal Marine.

Q What about Alkaid?

A The same thing.

Q Was an assignment of charter hire executed at the Bank of America Tekton closing?

A May have been. I don't remember.

Q Do you know if that document indicated the length of the charter?

A I don't think I do.

Q Mr. Naslas, are assignments of charter hire

generally indicated in the term of the charter?

A I don't know.

Q An assignment of charter hire is a document which gives the bank or the person to whom the charter hire is assigned the right to receive the hire, is that not right?

A I wouldn't know exactly what it is. It's an assignment of the earnings of the ship to the bank, yes.

Q That means the bank would receive the charter hire?

A Yes.

Q Let me show you Government's Exhibit 270-A in evidence and direct your attention to the last page.

Is your signature on that page?

A My signature is under Antares Navigation.

MR. MARMARO: With the Court's permission I would like to read a portion of the exhibit to the jury.

THE WITNESS: This document, your Honor, if I may --

Q I asked you a yes or no question, whether your signature was on that.

A As witnessing the signature of somebody else.

Q So your signature is on that page. Your answer is yes?

MR. FLEMING: I object to that.

THE COURT: Overruled.

A My signature is here, yes. I am witnessing another signature.

Q And this document was executed at the Bank of America Tekton closing, was it not?

A It probably was. I don't know when it was executed.

MR. MARMARO: I would like to read a portion of this, with the Court's permission.

(Mr. Marmaro read from Government's Exhibit 270-A to the jury.)

Q Mr. Naslas, the Tropis and the Tekton were later the subject of loans at the National Bank of North America; is that not right?

A The borrowing corporations, yes.

Q You were signatories of the bank accounts of Aries and Pisces Navigation Corporation; is that not right?

A I'm not sure I was. It wouldn't surprise me because I was signing on most of them.

Q Aries and Pisces Navigation Company were Tidal Marine subsidiaries; were they not?

A Yes, they were.

Q You testified that Alkaid and Antares Navigation companies, they, too, were Tidal Marine subsidiaries?

A Yes.

Q Isn't it a fact that when the National Bank of North America granted a five and a half million dollar loan on the Tropis and Tekton, it had been put to them that Mark Scufalos was the borrower on that loan?

A This was represented to be a loan arranged by Mr. Scufalos, as far as I know, and I don't know what the question is.

Q Mr. Scufalos didn't own these vessels, did he?

A Mr. Scufalos did not own these vessels? I guess he did not.

Q The sellers of these vessels, seller of the Tropis was Alkaid Navigation Corporation?

A Yes.

Q The purchaser of the Tropis was Aries Navigation Corporation?

A Yes.

Q The purpose of the loan was to finance this purchase, in part; was that not right?

A This was a refinancing.

Q It was a refinancing, you say?

A It was presented to me as a refinancing arranged by Mr. Mark Scufalos for these two ships at that time.

Q Isn't it a fact that the ships were sold, the Tropis was sold from Alkaid Navigation Corporation to Aries Navigation Corporation?

A Yes.

Q And both Alkaid and Aries were Tidal Marine subsidiaries?

A Yes.

Q And isn't it a fact that it was put to the bank that Mark Scufalos was the owner of Aries Navigation

Corporation?

A Yes.

Q Tidal Marine was the owner of Aries;is that not right?

A Aries was Tidal Marine subsidiary, if that's what you mean, yes.

Q Mr. Naslas, if the purpose of the loan on the Tropis was a refinancing, why was it necessary to transfer the ship from Alkaid to Aries, both Tidal Marine subsidiarie

A That I don't know. That I don't know.

Q Part of that loan was also a financing on the Pisces; is that not right?

A Part of that loan --

Q On the Tekton, excuse me.

A Yes.

Q The seller of the Tekton was Antares Navigation Corporation?

A Yes, it was.

Q That was a Tidal Marine subsidiary; was it not?

A Yes.

Q The purchaser was Pisces Navigation Corporation?

A Yes.

Q That was a Tidal Marine subsidiary; was it not?

A Yes, it was.

Q Wasn't it put to the bank that Mr. Scufalos owned Pisces Navigation Corporation?

A It was put by Mr. Scufalos that these were transfers of ships that I really never understood how they worked out, but --

THE COURT: That was not the question. The question was: Wasn't it put to the bank that Mark Scufalos owned these ships?

THE WITNESS: I don't know how it was put to the bank, your Honor.

THE COURT: That's your answer then, you don't know

Q Isn't it a fact that it was put to the bank that both the Tropis and the Tekton were operating under five-year charters to BP?

A They were charters with the vessels, yes.

Q They were five-year BP charters?

A I'm not sure I knew that at the time.

Q Isn't it a fact that when these vessels had been purchased from Karageorgis, they came with three-year BP charters?

A I didn't know what they came with. They came with two charters. One was on and one was running for a long while and one was coming on later on. I'm not sure I was there when it did.

Q I show you Government's Exhibit 103 and 104 and ask you if these refresh your recollection as to whether you are an authorized signatory of the Aries and Pisces Navigation accounts.

A Yes, I was.

Q These were the purchasing corporations of the Tropis and Tekton?

A These were the subsidiaries on which the loan was put on.

THE COURT: He wants to know whether they were the purchasing corporations.

THE WITNESS: Yes.

Q You believed this to be a refinancing; did you not?

A I didn't exactly know what it was.

Q Let me direct your attention to Government's xhibit 803 in evidence and ask you if that refreshes your recollection as to whether you believed this to be a refinancing?

A Yes.

Q So you believed it to be a refinancing; is that not right?

A This is a telex. It doesn't indicate that. It refers to refinancings, but this was the general term

that we were referring to.

Q Exhibit 803 refers to refinancings on several vessels; does it not?

A It refers to names of companies, of owning companies with respect to completed refinancings, yes, and it's addressed to an insurance company.

Q Your initials or your name appear on this; does it not?

A Yes.

Two of the ships listed are the Tropis and Tekton; are they not?

A And the Tekton and the Tropis are here, yes.

Q Mr. Naslas, would a sale to Mr. Scufalos of these vessels be considered a refinancing?

A That was a gener term of bringing this information to these people. If you see further, you see the ries also.

MR. MARMARO: Your Honor, I ask for a responsive answer.

THE COURT: Strike out the answ .

Read the question to him.

(Question read.)

A I didn't know it to be a sale to Mark Scufalos.

THE COURT: Strike out the answer.

Read him the question again.

(Question read.)

A In this case here?

Q Yes.

A Yes.

Q Mr. Naslas, are you familiar with a vessel named the Tachys?

A Yes.

Q Isn't it a fact that the Tachys is one of the vessels sold by Karageorgis to Tidal Marine?

A Yes.

Q Isn't it a fact that the Tachys was subject to three-year BP charter when it was purchased by Tidal Marine?

A Again Tachys came into Tidal with one time charter on and another time charter coming on at the end, yes.

Q And the time charter coming on was a three-year time charter to BP; was it not?

A I didn't know what it was.

Q Isn't it a fact that the Tachys charter was substituted and placed on a different vessel?

A That I didn't know.

Q Isn't it a fact that the Tachys did not operate

under a three-year BP charter?

A There was a very serious problem when the Tachys was to go on the BP charter, yes.

Q That problem was, it was substituted on another Tidal Marine vessel, wasn't it?

A No, it was that the Tachys didn't appear to have a charter at the time, that she was supposed to go on the charter.

Q So that charter was substituted on another Tidal Marine vessel, wasn't it?

A I didn't know what happened to it or what transpired.

Q So that isn't it true that the Tachys never operated under the BP charter?

A There was a problem with a BP--

MR. MARMARO: May I have a responsive answer, your Honor?

THE COURT: Just respond to that question.

A Until the time I left the company there was no Tachys operating on BP charter.

Q Isn't it a fact that there came a time when the Tachys was sold to a company owned by Mr. Panayotopulos?

A Yes.

B p.m. gwlt 1 Naslas-cross

Q Wasn't that sale financed by the National Bank of North America?

A Yes, it was.

Q And Mr. Panayotopulos was able to secure a loan in excess of $4,000,000 on the Tachys, isn't that right?

A Yes.

Q And that was to finance the purchase price?

A Yes.

Q In connection with that financing, Galaxy and Tidal Marine had to guarantee the Tachys charter, isn't that right?

A Yes.

Q And that is the charter I showed you earlier which -- the guarantee which I showed you earlier which you signed, isn't that right?

A The letter to the bank, yes.

Q Pursuant to that letter, Tidal Marine was the guarantor on the charter, isn't that right?

A Yes.

Q Isn't it a fact that you were asked by Mr. Pat Martin whether the Tachys tendered under the charter?

A I don't remember it, but it probably was.

Q ISn't it a fact that the charter that was the basis of the National Bank of North America financing was a

gwlt 2 Naslas-cross

five-year BP charter?

A I don't think I knew at the time what the length was. I believe it was, yes.

Q Isn't it a fact that it was this charter that Mr. Martin was asking you about?

A He was asking about the charter that the ship was going on so this must have been the one, yes.

Q Isn't it a fact that you told him the Tachys tendered under the charter?

A I probably did, yes.

Q Isn't it a fact that that wasn't true?

A No, it is not.

Q Had the Tachys tendered under the charter?

A The Tachys according to the information that was given to me had tendered and charterers had agreed to allow the owners to complete repairs in view of bad market that we were -- bad freight market we were experiencing at the time. That was my understanding.

Q You say the freight market was bad at this time?

A I said it was, yes.

Q Who gave you the information, Mr. Naslas, about the Tachys tendering under the charter?

A It must have come from London.

Q When was that?

gwlt 3 Naslas-cross

A It was at the time that it was passed on to Mr. Martin.

Q So this would be in mid-March of 1972?

A In that period, yes.

Q I show you what has been marked as Government's Exhibit 155 for identification and ask you if your handwriting appears on this exhibit?

A Yes, it does.

Q Is that a telex that was received at Tidal Marine in New York?

A This is a telex from London to New York, yes.

Q I show you what has been marked as -- what I woul like to have marked as Government's Exhibit 1555 for identification.

(Government's Exhibit 1555 was marked for identification.)

Q I ask you if your handwriting appears on this exhibit.

A Yes, it does.

Q Is 1555 a telex received by Tidal Marine in New York?

A This is from London to New York, yes.

MR. MARMARO: With the Court's permission, I would like to have these received into evidence.

gwlt 4 Naslas-cross

(Pause.)

MR. FLEMING: No objection, your Honor.

THE COURT: Received without objection.

(Government's Exhibit 1555 was received in evidence.)

(Government's Exhibits 1552 was received in evidence.)

Q Mr. Naslas, on your oath, did you tell Mr. Martin that the Tachys had tendered under the BP charter?

A I don't remember doing it, but I probably did.

Q On your oath, was this because you had received information from others that it had been tendered on the charter?

A Yes, sir.

MR. MARMARMO: With the Court's permission, I would like to read a brief portion of these telexes to the jury.

(Mr. Marmaro read to the jury from Government's Exhibits 1552 and 1555 in evidence.)

Q What does the term "fixed" mean, Mr. Naslas?

A Chartered.

Q So that these exhibits which I just read indicate that the Tachys as of the end of March, had not been fixed, under the charter?

A No, it says that at that particular date the vessel was arriving in a certain place and it was not chartered.

Q It was not chartered. That is as of March 2, 1972?

A Yes.

Q Mr. Naslas, are you familiar with a vessel named the Aris?

A Yes.

Q Was the Aris ever owned by Tidal Marine?

A Yes.

Q Was the Aris ever sold by Tidal Marine?

A YEs.

Q And it was sold to Mr. Panayotopulos, was it not?

A Sold to Spartan Pride of Mr. Panayotopulos.

Q Mr. Panayotopulos owned Spartan Pride, did he not?

A Yes.

Q This was in February of 1972, was it not?

A No, I don't think so.

Q I'm sorry. Strike that.

This was in December of 1971, was it not?

A December '71, yes.

Q As part of this transaction, Mr. Panayotopulos

was able to get a bank loan of approximately $4,000,000 from the National Bank of North America, was he not?

A He obtained a loan, yes.

Q This loan was to finance the purchase of the vessel, was it not?

A Apparently, yes.

Q The vessel was being sold by Tidal marine to Mr. Panayotopulos?

A Yes, sir.

Q And it was represented to the bank, was it not, that this vessel was operating under a five-year Wintershall charter?

A Yes.

Q Mr. Naslas, why did Tidal Marine sell the Aris?

A Why?

Q Why.

A I don't know.

Q Isn't it a fact that Tidal Marine sold the Aris to raise money?

A I don't know.

Q Isn't it a fact that Tidal Marine was a seller of this vessel?

A Yes.

Q And that Mr. Panayotopulos was the purchaser?

A Yes, his company, yes.

Q Isn't it a fact that as a result of the sale Tidal Marine would receive money from Mr. Panayotopulos?

A Yes.

Q And that Mr. Panayotopulos would receive this money from the bank in order to give it to Tidal Marine, isn't that a fact?

A I don't know what he would do.

Q He was borrowing money on the ship, wasn't he?

A Probably, yes.

Q And Tidal Marine would receive this money as payment of the purchase price, wouldn't it?

A Yes.

Q In connection with that, you represented to the bank that the vessel was under a five-year Wintershall charter, isn't that correct?

A Yes.

Q Isn't it correct that that charter was a forgery?

A I didn't know that at the time, and that's all I can tell you.

Q Isn't it a fact that it was on the basis of the Wintershall charter that Panayotopulos was able to finance the vessel?

MR. FLEMING: I object to that.

A Probably was.

gwlt 8 Naslas-cross

THE COURT: What is that?

MR. FLEMING: I object to that.

THE COURT: Overruled. The witness says "probably was."

Q As a result of Panayotopulos' loan Tidal Marine got its money, isn't that right?

A That is how it works.

Q Isn't it a fact that your signature appears on the real Wintershall charter for three years?

A My signature appears as a witness next to a signature by Mr. Amanatides, and I explained how it happened.

Q How did it happen?

A As I said, I was in London, I was in the operatio department. I was in the middle of something. Mr. Amanatidc came with a document opened or folded, whatever you call it, with the bottom page on top already signed, and he asked me to witness his signature and I did.

Q Could you see what you were signing when you witnessed it?

A I could not see. I have no idea what I signed.

Q Is it your testimony that you just signed and you didn't know what you were signing?

A It is my testimony, yes.

p.m.

Q How do you know you were signing the Aris charter?

A I'm not even sure I did, but I haven't witnessed many other signatures.

Q So you don't know, isn't it a fact, whether the document Amanatides gave you folded was the Aris charter, isn't that right?

A I don't know.

Q Because you didn't look at the document that Amanatides gave you folded?

A Exactly.

Q Mr. Naslas, are you familiar with a vessel named the Santa Isabella?

A Yes.

Q And did there come a time when the National Bank of North America gave a loan for the purchase of the Santa Isabella?

A Yes.

Q Isn't it a fact the Santa Isabella was owned by Tidal Marine, was being purchased by Tidal Marine?

A That was owned by Betelgeuse, the owning corporation, a subsidiary of Tidal Marine. However, at that time, my knowledge was it was Mr. Scufalos' ship.

Q You say it is a subsidiary of Tidal Marine?

A As it turned out to be, yes.

hplt 2 Naslas-cross

Q But you represented to the bank, did you not, that it was owned by Mr. Scufalos alone?

A It was a Scufalos loan for a Scufalos ship.

Q You were aware it was presented to the bank as a Scufalos loan?

A Yes.

Q Isn't it a fact that you approached Mr. Marone at the Bank of America and asked him to lend Tidal Marine money on the Santa Isabella?

A There is something there I don't remember exactly, but there is a possibility that I did that, yes.

Q And that was prior to the time the other National Bank of North America loan, wasn't it?

A Yes.

Q The Bank of America did not give the loan to Tidal Marine, did it?

A It was not a discussion about a loan. It was a reference to a ship being purchased if I remember correctly.

Q The Santa Isabella?

A I'm not even sure it was the Santa Isabella.

Q The Santa Isabella was later renamed the Tagma, wasn't it?

A Yes.

Q Bank of America did not give a loan on that ship,

did it?

A The ship was financed at t

North America.

Q When it was financed by th

North America, it was financed as a Scufalos -

it?

A Yes.

Q You had previously approached the Bank of America on behalf of Tidal Marine, hadn't you?

A I didn't approach Bank of America on behalf of Tidal Marine to apply for a loan. I probably mentioned to one of the officers that the ship was being purchased and I have no recollection of the exact conversation at all.

Q Would you approach banks on behalf of Mr. Scufalos?

A At that time it was not very clear who was who and whether Mr. Scufalos was Tidal or Tidal was Scufalos or what it was. It was all a very mixed up big family.

Q But Scufalos sold his ships to Tidal Marine, hadn't he?

A He did, and subsequently he became very active in Tidal Marine.

Q Was he ever an officer in Tidal Marine?

A There was talk about him coming on the board.

MR. MARMARO: I ask for a responsive answer,

your Honor.

A No, he was not.

Q How much was Mr. Scufalos paid by Tidal Marine?

A For what?

Q Did he ever receive a salary from Tidal Marine?

A I don't know if he did, no.

Q Let me show you what has been marked as Government's Exhibit 1558 for identification and ask you whether your handwriting appears on this document.

A The handwriting is mine.

Q This is a telex received by Tidal Marine in New York, is it not?

A Yes.

MR. MARMARO: Your Honor, we offer this exhibit into evidence.

MR. FLEMING: I have no objection.

(Government's Exhibit 1558 was received in evidence.)

Q Mr. Naslas, I show you what has been marked as Government's Exhibit 1107 for identification and ask you if your handwriting appears on that telex.

A Yes.

Q Is that a telex sent to Tidal Marine in New York or from Tidal Marine in New York?

A This is from New York to London, I believe.

Q And your handwriting appears on it, is that correct?

A Yes.

MR. MARMARO: Your Honor, we offer this exhibit into evidence.

MR. FLEMING: I have no objection.

(Government's Exhibit 1107 was received in evidence.)

MR. MARMARO: With the Court's permission, I will read a brief portion of this.

Q I assume "H.A." means Harry Amanatides, Mr. Naslas?

A It does.

(Mr. Marmaro read to the jury from Government's Exhibit 1107 in evidence.)

Q Mr. Naslas, the Santa Isabella was renamed the Tagma, was it not?

A Yes.

Q That was after it was financed with the National Bank of North America, was it not?

A At the time, yes.

Q And it was put to the National Bank of North America that this was a Scufalos deal, was it not?

A Yes.

Q And you signed representation to the bank to that effect, did you not?

A To what effect?

Q To the effect that this was a Scufalos deal.

A No. There were documents referring to the fact that Scufalos was the owner of the corporation or whatever.

Q I want to direct your attention to the Aquario. Are you familiar with that vessel?

A Yes, sir.

Q In January of 1972, were you present in Curacao on business which concerned the Aquario?

A No, I was not. Not in Curacao.

Q Caracas?

A Caracas, yes.

Q Was Mr. Hanlon there?

A Yes.

Q Who else was there?

A Mr. Sheneman was there, Mr. Huerta was there, and we met with Captain Nout.

Q This meeting concerned problems relating to the vessel, did it not?

A Yes.

Q And the subject of the vessel's charter was

mentioned, was it not?

A No, it was not.

Q There were problems under the charter, weren't there?

A Problems of performance and very serious problems of deductions.

Q From the charter?

A From the charter, because of performance.

Q Mr. Naslas, is it correct that when you came on board at Tidal Marine you purchased Tidal Marine stock for about $1,700?

A Yes.

Q And that was what, about 5 cents a share?

A Yes.

Q When was that, sir?

A It must have been in 1969.

Q Isn't it a fact that you sold a little less than half a million dollars worth of this stock?

A Yes.

Q Isn't it a fact that you lent this money to Galaxy

A Yes.

Q The stock you sold for a half million dollars was the same stock you purchased at $1,700, is that correct?

A Yes.

Q And then you lent this money to Tidal Marine?

A Yes.

Q And you charged them 2 percent interest a month or 24 percent a year on the half a million, isn't that correct?

A I charged them what?

Q 24 percent a year.

A I couldn't have done that. It must be a mistake.

MR. MARMARO: May we have this marked as Government's Exhibit 1600 for identification.

(Government's Exhibit 1600 was marked for identification.)

Q I want to show you this Exhibit 1600 for identification and direct your attention to the second paragraph and ask you if it refreshes your recollection that after you sold the stock you received 2 percent per month in interest on your loan, from Tidal Marine.

A That I received interest?

Q That you were to receive interest pursuant to your agreement.

A No such thing.

Q I show you Defendant's Z in evidence, and ask you if these are the notes.

A Yes.

Q I ask you to look at these notes and ask you if these notes were payable on demand.

A Yes.

Q So that pursuant to these notes, you could demand your half a million dollars, at any time, is that correct?

A Yes.

Q And these notes provide that any time a loan is in default, you are to be paid 2 percent per month, is that correct?

A I don't know if that --

hph 1 Naslas-cross
redirect

T4B

Q Would you direct your attention to the note, please.

A It says 2 percent interest.

Q And that's 24 percent a year, is it not?

A 2 percent per month on unpaid balance of principal until such time -- it says in the event of any default in the payment of --

THE COURT: Are you reading 2 percent a month or aren't you?

THE WITNESS: At the rate of 2 percent a month on unpaid balance.

MR. MARMARO: We have nothing further on cross, your Honor.

REDIRECT EXAMINATION

BY MR. FLEMING:

Q Did you get 2 percent a month, Mr. Naslas?

A No, sir.

Q Did you demand repayment of the note?

A No, sir.

Q What was your understanding of the Tekton, Tropis, December 24, 1971, loan?

A As far as I knew, that was a Scualos arranged loan with the National Bank of North America.

Q Who did you learn that from?

A This came from Harry Amanatides.

Q What did Mr. Amanatides tell you?

A I don't remember exactly what he told me, but he was referring to a loan arranged by Mr. Scufalos with the bank that had to do with the two ships.

Q Did Mr. Amanatides tell you for whose benefit the loan would be?

A No, he did not.

Q Does "still unfixed" mean not tendered?

A No, sir.

Q Would you explain that?

A The ship Tachys was to return to Europe for--

THE COURT: Just explain what "still unfixed" means.

THE WITNESS: Still unfixed means not yet chartered.

Q Does it mean not yet tendered?

A No, it does not.

MR. GLEKEL: Objection, your Honor, asked and answered.

THE COURT: If a ship is not chartered, can it be tendered?

THE WITNESS: If it's two different charters, yes.

THE COURT: If there is no charter, can it be

tendered?

THE WITNESS: Not without charter, no.

THE COURT: So "unfixed" means not tendered.

THE WITNESS: Unfixed means not chartered, without a charter.

THE COURT: And without a charter it can't be tendered?

THE WITNESS: Yes, except in this particular situation it's different circumstances, your Honor.

Q Was was your understanding of the circumstances? That is my question.

A The ship was to be allowed to be returned to Europe for repairs, and they were trying to charter the ship on a voyage to Europe which they finally did, and the ship went from the Persian Gulf to England or Mediterranean and she was to go for repairs after that.

Q One other question on the note. Did you demand the 2 percent clause in there in the event of default?

A No, sir.

MR. FLEMING: I have nothing further.

RECROSS EXAMINATION

BY MR. MARMARO:

Q When you told Mr. Martin that the Tachys tendered under its charter, isn't it a fact that you also

told him that the first month charter hire had been deposite in the Galaxy account in London?

A I --

Q Yes or no.

A I don't remember.

Q If a vessel is not on charter, can charter hire be deposited for her account?

A No.

MR. MARMARMO: I have nothing further.

MR. FLEMING: I have nothing further.

THE COURT: All right. Step down.

(Witness excused)

MR. SPRIZZO: Mr. Katritsis.

P A U L K A T R I T S I S, called as a witness, having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. SPRIZZO:

Q Mr. Katritsis, will you keep your voice up so everyone can hear you.

A Yes, sir.

Q Where were you born?

A Schenectady, New York.

Q When?

A August 5, 1950.

Q You will be 26 on your next birthday?

A Yes, sir.

Q Did there come a time when you moved to New York?

A Yes, sir.

Q New York City?

A Yes, sir.

Q Do you recall when that was?

A I can't recall. I was told I was two years old at the time.

Q Where did you live in New York City when you first came to New York?

A 40th Street and Eighth Avenue.

Q Did you move to another location?

A Yes.

Q As far back as you can remember, who was living in your household?

A My family consisted of five people: My grandparents, maternal grandparents, my mother, my uncle and myself.

Q Who is your uncle?

A Harry Amanatides.

Q How old is he, do you know?

A I believe he is 46 at present date.

Q Will you describe the nature of your relationship with Harry Amanatides as you were growing up?

A I was always very close to my uncle in that I never had a father and if I can call anybody a father, I would have to call Mr. Amanatides.

Q Mr. Katritsis, when you say you never had a father, isn't it true your father left your mother at an early age?

A Yes, sir.

Q You were too young to remember that?

A Yes, sir.

Q Would it be fair to say Harry Amanatides is the only father you had ever known?

A Yes, sir.

MR. GLEKEL: Objection to the form of the questions, your Honor.

THE COURT: That is not the case on trial.

Q What education have you had, Mr. Katritsis?

A I first went to grammar school, a school in New York City called Ecole Francais De St. Esprit.

Q Where was that?

A The East Side in the fifties. I was fairly young.

Q Is that an elementary school?

A Grammar school.

Q Did there come a time when you went to high school

A Yes, sir.

Q Where did you go to high school?

A At first at a school called Lycee Francais De N.Y. I completed my high school education at a school called Rhodes.

Q Did you go to college?

A Yes, sir.

Q Where did you go to college?

A I went three years to Fordham University, two and a half to three years at Fordham University.

Q Then you left Fordham?

A Yes, sir.

Q Where did you go then?

A St. John's.

Q Why did you leave Fordham?

A I changed majors.

Q What type of major were you interested in studying at St. John's?

A Business.

Q Did there come a time when you worked for a company called Delta Marine Corporation?

A Yes, sir.

Q When did you work for Delta Marine Corporation?

A During the summers of '69 and '70.

Q In what capacity were you employed at that time?

b2 A I was working at their warehouses.

Q Will you describe the nature of the work you were doing?

A Loading and unloading trucks and making pickups and deliveries with the trucks as well.

Q Do you know a man named Costas Naslas?

A Yes, sir.

Q Was he employed at Delta Marine at the time you worked there?

A Yes, sir.

Q Had you met him prior to that time?

A I believe on one or two occasions prior to that time.

Q Did you work for him at Delta Marine?

A Yes, sir.

Q Did there come a time when you went to work for Tidal Marine Corporation?

A Yes, sir.

Q When did that happen for the first time?

A As an employee of Tidal Marine?

Q Yes.

A In the beginning of January of '72.

Q How did it come about that you went to work for Tidal Marine?

A Well, I started going to Tidal Marine some time in November of '71 but I wasn't paid at that time. In the afternoon after classes I used to go to the city and go to Tidal's offices.

Q Who got you the job at Tidal Marine?

A The president of Tidal Marine.

Q Who was that?

A Harry Amanatides.

Q When did you say you began working there on a part time basis?

A Some time in November, I believe.

Q How many hours a day approximately did you work?

A It wasn't every day I was working during that time. The hours varied. As long as I was needed.

Q Were you paid?

A Initially, no.

Q When did you first become a paid employee of Tidal Marine?

A In January of '72.

Q How much were you paid?

A 250 gross.

Q A week?

A Yes, sir.

Q When you began working part time, will you describe the nature of your duties at Tidal Marine?

A Initially it was everything. I was messenger boy, I did a lot of filing, the files were disarrayed, shall we say, so I tried to put them together and form some sort of system for the files, and just a lot of odd jobs, menial jobs that Mr. Amanatides didn't want to or didn't have to do really himself.

Q When you became a full time employee in January, 1972, did your duties change?

A They increased, yes.

Q What type of duties were you asked to assume?

A I did most of, from Tidal Marine's point of view, legal work, worked with the various law firms we worked with, supplying them with information needed and with our general counsel who were at that time Cole & Deitz, and later replaced by Willkie Farr. I worked with a firm called Zim & Haynes, who were FDI attorneys; I worked with Mr. Hanlon's firm. It was just a matter of chasing down people to sign minutes and whatnot.

THE COURT: A juror complains he can't hear the witness.

Will you read the last four questions and answers.

(Record read)

T5A Q In the course of your employment at Tidal Marine, were there times when you became an officer or director of various subsidiary corporations of Tidal Marine?

A Yes, sir.

Q Can you keep your voice up?

A I'm sorry. Yes.

Q What is the practice as far as you knew in the shipping business about individual corporations being set up to own individual vessels?

A Just that, that Liberian corporations were formed to own a particular vessel.

Q Would it be fair to say that it is the common practice in the shipping industry for individual ships to be owned by individual corporaions?

A Yes.

Q Did you become an officer of corporations of that type?

A Yes, sir.

Q How did you become an officer of those corporations

A I was told I was an officer.

Q Who told you?

A Usually Mr. Amanatides.

Q As far as you were concerned, was Mr. Amanatides running Tidal Marine?

A Yes.

Q He was the boss as far as you were concerned?

A Yes, sir.

Q He was also your uncle?

A Yes.

Q There's been testimony in this case about you signing some documents on behalf of various corporations which were subsidiaries of Tidal Marine. Do you recall that testimony?

A Yes, sir.

Q Do you recall when the first time was that you signed a document on behalf of a Tidal Marine corporation?

A Yes, sir. I believe I signed some charters for ..ix Tidal Marine corporations.

Q When was that?

A July, '71.

Q Excuse me?

A July, '71, I believe.

Q Where did you sign those charters?

A In London.

Q How did you happen to be in London at that time?

A I was on vacation.

Q Were you then employed by Tidal Marine?

A No, sir.

Q So at the time you first signed documents you were not even an employee of Tidal Marine; is that correct?

A That's correct.

Q How did that come about?

A Mr. Amanatides asked me to sign certain documents.

Q What did he say to you and what did you say to him

A He asked me to -- just handed me documents.

He said, "Can you sign these charters"?

I said, "Can I sign them?"

He said, "Yes, because you are an officer of these companies."

That was the extent of the conversation really.

Q Do you recall who the other officers of the companies were at that time ?

A At that time? I was told who they were.

Q What did Mr. Amanatides tell you about that?

A The other officers were my mother and Mr. Blonsky.

Q At the time you signed those documents -- is that in July of '71 in London?

A I believe it was, sir.

Q Did you believe that those documents you signed

contained false statements?

A No.

Q Did you know of any false statements made in connection with those documents?

A No, sir.

Q Did you have any basis to believe that they contained false statements?

A No, sir.

Q Would it be fair to say that you in good faith believed they contained true statements?

A Yes, sir.

Q Do you have any information as to whether or not the charters were false or fictitious or raised charters?

A No, sir.

Q Did there come a time when you signed another ocument on behalf of Tidal Marine?

A Yes, sir.

Q When did that take place?

A That took place in the beginning of August I believe. I signed certain documents. I don't recollect exactly what type of documents, but they were documents having to do again with these six corporations, the same six.

Q What were the circumstances under which you signed those documents?

A I was -- I believe Mr. Amanatides told me to go to Mr. Hanlon's office, which at that time were at Zock, Petrie, and also bring my mother and Mr. Blonsky, who was visiting with us at that time.

We went down to Mr. Hanlon's office, signed the documents and left.

Q Would your testimony with respect to those documents be the same that you have given with respect to the other documents?

MR. GLEKEL: Objection, your Honor.

THE COURT: Sustained.

Q At the time you signed those documents, did you have any knowledge that they contained false statements?

A No, sir.

Q Did you believe that they contained any false statements?

A No, sir.

Q Did you read any of the documents?

A No, sir.

Q Did you have any knowledge about any false or fictitious nonexistent or raised charters?

A No, sir.

Q By the way, Mr. Katritsis, as of the time you signed these documents did you have any information at all about payoffs to bankers?

A No.

Q When you signed those documents, who did you rely on?

A I would say my uncle.

Q Did you have any reason to distrust your uncle at that time?

A No.

Q Did there come a time when you signed some further documents on behalf of Tidal related companies?

A Yes.

Q When was that?

A In December, in December of '71.

Q Do you recall the name of the corporation?

A Aries and Pisces.

Q Do you recall the name of the ships?

A Tekton, Tropis.

Q You have read the indictment in this case, have you not, Mr. Katritsis?

A Yes, sir.

Q You read count 51 of the indictment?

A Yes, sir.

Q Count 51 relates, does it not, to the Tekton-Tropis transactions?

A I believe so.

Q I am going to read from the allegations of the indictment. I am going to ask you certain questions about it.

Count 51 charges in part:

"From on or about the 1st day of January, 1971, up to and including the 1st day of January, 1973, in the Southern District of New York and elsewhere, Charlambos Amanatides, also known as Harry Amanatides, Amilcas Ion Livas, also known as A. Ion Livas, Costas Naslas, Paul Katritsis, Michael Blonsky and James D. Hanlon, the defendants, unlawfully, wilfully and knowingly did combine, conspire, confederate and agree together and with one anothe to make false statements and reports, knowing the same o be false, and would and did over-value property and security for the purpose of influencing the action of the National Bank of North America, New York, New York, the deposits of which were then insured by the Federal Deposit Insurance Corporation, upon a loan of $5,500,000 made jointly to Aries Navigation Corporation and Pisces Navigation Corp. on or about December 24, 1971."

Did you so conspire as alleged in the count, count

51 of the indictment?

A No, sir.

Q The means paragraph of count 51 alleges in part:

"On or about the 25th day of February, 1971, the defendant Amilcas Ion Livas, also known as A. Ion Livas, would and did form and caused to be formed a corporation named Union Commercial Shipping Company Limied for the purpose of falsely and fraudulently representing that the transactions entered into by the aforesaid corporations were transactions by Mark Scufalos and Union Commercial Steamship Corporation."

Did you have any knowledge whatsoever with respect to that allegation?

A No, sir.

5B p.m.

gwlt 1 Katritsis-direct

Q Paragraph 4 alleges in part:

"In or about December, 1971, the defendants Charlambos Amanatides, also known as Harry Amanatides, Amilcase Ion Livas, also known as A. Ion Livas and Michael Blonsky, would and did prepare and caused the preparation of two false, fraudulent and fictitious time charter parties as follows:

"One, under date of November 24, 1970 between BP Tanker Company, Ltd. and Antares Navigation Corporation on the vessel Tekton for five years, and, two, under date of December 7, 1970 between BP Tanker Company, Ltd. and Alkaid Navigation Corporation on the vessel Tropis for five years."

Did you do anything about the preparation of the false, fraudulent charters referred to in paragraph 4 of Count 51?

A No, sir.

Q Paragraph 5 of Count 51 alleges:

"In or about December 1971 the defendant Michael Blonsky would and did sign the name 'Ashford' to the aforesaid time charter parties purportedly reflecting agreement to the aforesaid charter parties by BP Tanker Ltd."

Did you do anything at all about the allegations contained in paragraph 5?

A No, sir.

Q Nothing at all about "Ashford" is that correct?

A No, sir.

Q By the way, I think you testified that Blonsky was an officer of one of the corporations that you signed documents on some time in July of '71?

A Yes, sir.

Q Did you ever see Michael Blonsky at 2 Chesterfield Hill in London practicing the signature of "Ashford"?

A No, sir.

Q Did you ever see Markella Delfos typing up charters that were being raised?

A Raised?

Q She testified about typing "raised" charters.

MR. GLEKEL: Objection, your Honor.

THE COURT: He may answer.

Q Did you know anything about that?

A No, sir.

Q Paragraph 7 alleges in part as follows:

"On or about the 24th day of December, 1971, the defendant Paul Katritsis would and did execute two assignments of monies due and to become due on the aforesaid time charter parties in favor of National Bank of North America."

Did you sign what is described in paragraph 7 as the assignment of monies due and to become due on these

A I believe I did.

Q At the time you signed those assignments, did you believe that they contained any false statements?

A No, sir.

Q Did you have any konwledge of false, fictitious, fraudulent or raised charters?

A No, sir.

Q Did you know of any payoffs allegedly being made to bank officers in connection with loans?

A No, sir.

Q Did you read the documents?

A No, sir.

Q On signing those documents, Mr. Katritsis, who did you rely upon?

A On Mr. Hanlon.

Q Had you had a conversation with Mr. Amanatides prior to your signing those documents?

A Yes.

Q What did he say to you and what did you say to him?

A He told me we were going to a closing at the at the office of National Bank of North America, that I was an officer for these two particular corporations and that I should do whatever Mr. Hanlon says.

Q Did you have any rason to suspect your uncle at that time?

A No, sir.

Q Did you have any reason to believe that these documents contained anything other than truthful statements?

A No, sir.

Q Did you then believe in good faith they were truthful statements when you signed them?

A Yes, I did believe that.

Q These two corporations, they were Tidal corporations, were they not?

A Yes, sir.

Q Paragraph 8 of Count 51 alleges:

"On or about the 24th day of December, 1971, the defendant Paul Katritsis would and did sign documents reciting that 100 percent of the outstanding shares of Aries Navigation Corporation and Pisces Navigation Corporation had been owned by Union Commercial Steamship Corporation for one year."

Did you sign documents containing statements to that effect?

A I believe I did.

Q Did you ever read the documents?

A No, sir, I didn't.

Q Did you have any basis to believe at the time you

signed those documents which are referred to in paragraph 8 of the indictment that those documents contained false statements?

A Excuse me? I didn't hear the first --

Q Did you have any basis to believe that the documents you signed contained false statements?

A No, I didn't.

Q Did you in good faith believe that the documents you signed were true statements?

A Yes, sir.

Q Did you have any information which would indicate that the statements contained in those documents was untrue?

A No.

Q You had no knowledge, I take it, of the preparation of any false, fraudulent or fictitious documents by the people connected with Tidal Marine?

A No,sir.

Q Overt act 1 of Count 51, reads:

"On or about the 24th day of December, 1971, Paul Katritsis signed assignments of money due and to become due on the above described purported time charter parties between BP Tanker Company, Ltd. and Alkaid Navigation Corporation and Antares Navigation Corporation."

I believe those are the same assignments about

hplt 6 Katritsis-direct

which you have testified, and I take it your testimony with respect to that allegation would be the same as your testimony as to questions I previously asked?

A Yes, it would.

THE COURT: We will take a recess at this time.

(Recess.)

6A p.m.

(In open court - jury present.)

Q Mr. Katritsis, at the time of the recess, I had asked you about Count 51 of the indictment. Do you recall that?

A Yes, sir.

Q Count 56 of the indictment, have you read that charge?

A I have read it, yes.

Q And that charge is based upon a statement that 100 percent of the shares of Pisces Navigation Corporation ha been owned by Union Commercial Shipping Company for one year?

A Yes.

Q And I asked you abou that statement in connectio with the conspiracy count, do you recall that?

A Yes, I do.

Q Would your testimony be the same if I addressed the same questions to you with respect to Count 56?

A Yes, they would, indeed.

Q Count 57 of the indictment, have you read that charge?

A I have read it.

Q And that relates to a statement that 100 percent of the shares of Aries Navigation Corp. had been owned by Union Commercial Shipping Company for a period of one year.

A Yes, sir.

Q If you recall, that is the same statement I asked you about in connection with the conspiracy count.

A Yes.

Q Would your testimony be the same if I addressed the same questions to you with respect to that same statement in connection with Count 57?

A Yes, sir.

Q Count 58 of the indictment, have you read that charge?

A I have read it.

Q Have you read Count 58 of the indictment?

A I have read it.

Q Does that refer to the same charter party referred to in the conspiracy count, Count 51?

A I believe it does.

Q Would you like to look at it or would you --

A Would it be easier if I read it?

(Handed to witness.)

Q And that refers to the same assignment of charter parties referred to in the conpsiracy count, Count 51?

A Yes, sir.

Q Would your testimony be the same if I address the same questions as to this count that I addressed

hplt 3 Katritsis-direct

previously with respect to Count 51?

A It would indeed.

Q Count 65 reads as follows, in part:

"From on or about the 1st day of January, 1971, up to and including the 1st day of January, 1973, in the Southern District of New York, and elsewhere, Charalambos Amanatides, also known as Harry Amanatides, Amilcas Ion Livas also known as A. Ion Livas, Michael Blonsky, Costas Naslas, Paul Katritsis and James D. Hanlon, the defendants, unlawfully willfully and knowingly did combine, conspire, confederate and agree together and with one another to make false statements and reports, to wit, that the vessel Tachys would be and had been time chartered to BP Tanker Company, Ltd. for a period of five years, which statements and reports that the defendants and their co-conspirators then and there well knew were false, and would and did overvalue property and security, to wit, the vessel Tachys for the purpose of influencing the action of the National Bank of America, New York, New York, the deposits of which were then insured by the Federal Deposit Insurance Corporation upon a loan made February 4, 1972 to Spartan Endeavor Shipping Company, Ltd. in the amount of $4,500,000 and thereafter for the purpose of influencing the action of aforesaid bank on any change in the status of the loan by deferment of action."

Are you familiar with that charge?

A Yes, sir.

Q Did you so conspire as alleged in Count 65 of the indictment?

A No.

Q In the remaining paragraphs of Count 65, paragraph 3 of Count 65 alleges as follows:

"In or about December, 1971 and January and February, 1972, the defendants Charalambos Amanatides, also known as Harry Amanatides, Amilcas Ion Livas, also known as A. Ion Livas and Michael Blonsky would and did prepare and cause the preparation of a false, fraudulent and fictitious time charter party under date of November 20, 1971, reflecting the chartering of the vessel Tachys from Spartan Endeavor Shipping Company, Ltd. by BP Tanker Company, Ltd. for five years."

Did you have any knowledge at all with respect to the allegation set forth in the paragraph I have just read?

A No.

Q Paragraph 4 of Count 65 reads:

"In or about December 1971 and January and February 1972, the defendant Michael Blonsky would and did sign the name 'Ashford' to the aforesaid charter party

hplt 5 Katritsis-direct

purportedly refelcting an agreement and the aforesaid charter party by BP Tanker Company, Ltd."

Did you have any knowledge whatsoever with respec to the allegations contained in paragraph 4 of Count 65?

A No, sir.

Q Did you know anything at all about Michael Blonsky signing fraudulent signatures on charters in London?

A No, sir.

T6B

Q Paragraph 5 alleges that in or about December, 1971, and January and February, 1972, the defendant Paul Katritsis would and did sign the aforesaid charter party on behalf of Spartan Endeavor Shipping Co., Limited.

Did you sign a charter party on behalf of Spartan Endeavor Shipping Co., Limited?

A Yes, sir, I did.

Q Do you know whether or not Spartan Endeavor Shipping Company was a Tidal company?

A It was not.

Q Whose company was it?

A It belonged to Panayotopulos.

Q Do you know how Mr. Panayotopulos got that company.

A I believe through Mr. Amanatides.

Q Who told you that?

A Mr. Amanatides.

Q Were you an officer of Spartan Endeavor Shipping Company Limited?

A At that time?

Q Yes, at that time.

A At that time I was told I was to become an officer of that company.

Q Who told you that?

A Mr. Amanatides.

Q What conversation, if any, did you have with Mr. Amanatides about your signing the particular charter party referred to in paragraph 5 of count 65 of the indictment?

A A day or so prior to that Mr. Amanatides told me that Tidal Marine was selling two vessels.

Q Which vessels?

A The Aris and the Tachys, and that we were helping Mr. Panayotopulos who was not a shipping person, a ship owner in any way, and that I was going to sign on behalf of those corporations.

Q Was it your state of mind at the time that that was in accord with Mr. Panayotopulos' wishes?

A Yes, sir.

Q And you felt you could probably sign based upon the representation made to you?

A Yes.

Q Now, at the time that you signed the charter party on behalf of Spartan Endeavor, did you have any knowledge whatsoever to indicate to you that the statements contained therein were false?

A I would have no knowledge.

Q Did you know they were false?

A No.

Q Did you in good faith believe that these statements were true?

A Of course.

Q Did you read the charter party?

A No, not all of it.

Q What part did you look at?

A I saw the first page and the page I signed.

Q Now, getting back for a moment, if we can, to the Tekton, Tropis closing, did you attend that closing?

A Yes, I did.

Q What was your understanding at that time as to who had prepared the documents that were being submitted to you for your signature?

A The bank's attorneys.

Q What was your understanding as to the source of the information that was contained in those documents?

A The documents prepared through the bank.

Q Did you have any understanding at all as to where the information with respect to the documents you signed originated?

A From Mr. Amanatides.

Q At the time you signed this charter party on behalf of Spartan Endeavor did you have any knowledge at that time of any payoffs being made to the bank officers?

A None.

Q Did you have any knowledge about false charges being prepared in London or elsewhere?

A No.

Q Did you have any knowledge of Marcella Delfos typing raised charters in London?

A No.

Q In signing those documents Mr. Katritsis, without reading them, referring to this particular document, the Spartan Endeavor document on whom were you relying?

A On Spartan Endeavor, Mr. Amanatides' words.

Q Did you have any reason to mistrust Mr. Amanatides at that time?

A No.

THE COURT: Did you say Mr. Amanatides' lawyers?

THE WITNESS: I did not mention lawyers.

THE COURT: Read the question and answer, please.

(Record read)

Q He was your uncle?

A Yes, sir.

Q And you had no reason distrust him?

A None.

Q Count 66 of the indictment, are you familiar with that charge?

A I have read it. I don't know what 66 pertains to.

Q Do you want to look at it?

A Yes, sir.

Q That refers to, does it not, the same statement about which I have inquired with respect to count 65?

A Yes.

Q And if I address the same question to you with respect to count 66 would your testimony be the same?

A It would.

Q Directing your attention once again to count 65 of the indictment, paragraph 6 of that count alleges as follows: In or about February, 1972, the defendant Paul Katritsis would and did cause the signing of a Secretary's certificate by the purported secretary of Spartan Endeavor Shipping Co., Limited attesting to the validity and completeness of a copy of the aforesaid charter party affixed thereto, for submission to the National Bank of North America.

Is the charter party referred to in paragraph 6 the charter party you have testified to in connection with this count?

A It is.

Q Do you recall having a conversation with Mr. Axiotakis about this matter?

A Yes, sir.

Q Tell the jury your recollection of that conversation.

A It doesn't differ very much from Mr. Axiotakis. I was given this document.

THE COURT: Speak up, please.

A I was given the Secretary's certificate, by-- it would have to be either the bank's attorneys or Mr. Panayotopulos' attorney, Mr. Flemming, and he asked me to get Mr. Axiotakis' signature in the document that hadn't been signed on the day of the closing. So, I took it back to Tidal Marine where Mr. Axiotakis worked and I asked him to sign it. He looked at me, and he said "Is it all right to sign it?" And I said "Yes."

He said "Is this a real charter?" He said it, I would say, kiddingly, and I said "Of course it is, George." He signed it and I went back.

Q There has been some testimony about backdating of that certification.

A Yes.

Q What is your recollection on the question of whether it was or was not backdated?

A Frankly, I don't remember but I would say it's very possible it was backdated.

Q Was Mr. Axiotakis a secretary of the corporation at the time that you had this conversation?

A I'm not sure.

T7A Q Had he been secretary?

A Yes.

Q Of that corporation?

A Yes,he was.

Q Had he been secretary at the time of the closing?

A Yes, sir.

Q Did you at that time believe that there was anything wrong with your asking him for that certification?

A No.

Q You acted in complete good faith; is that true?

A Yes, sir.

Q There's been some testimony in this case from a lady named Joyce Walker.

Do you recall that testimony?

A Yes, sir.

Q She testified, if I recall her testimony, and if I may paraphrase, that you did some typing for Mr. Amanatides in situations when he did not like her to type for him; do you recall that testimony?

A I recall her testimony, yes.

Q My question is: Did you do on occasion some typing

for Mr. Amanatides?

A Yes.

Q Under what circumstances would you type for Mr. Amanatides?

A When nobody else was available.

Q Were you a good typist?

A No.

Q How long did it take you to type the average letter?

A Some time. Only two fingers.

Q She also gave some testimony about an alleged conversation which you had with Mr. Amanatides when certain financial figures were being prepared.

A I heard her testimony about that, yes.

Q And that Mr. Amanatides and you were talking in Greek?

A Yes, I heard that.

Q Do you speak Greek?

A Yes.

Q She also testified about Harry Amanatides making a statement in words or in substance about the figures were not high enough, had to be higher for the loan.

Do you remember that testimony?

A I heard her testimony.

Q Do you have any recollection whatsoever of that conversation?

A None.

Q Did it ever happen as far as you can recall?

A No.

Q Anything like that ever happen?

A No.

Q She also testified, as I recall her testimony, that you were a confidante of Mr. Amanatides.

Do you remember that testimony?

A Yes.

Q Did Mr. Amanatides ever tell you that he had paid bank officers?

A At that time?

Q At that time.

A No.

Q Did Mr. Amanatides tell you at that time that he had given $800 to Gregory Spartalis?

A No.

Q Did Harry Amanatides tell you at that time that he had paid off Joe Metzger and Shevlin?

A No.

Q Did Harry Amanatides tell you at that time that false charters were being prepared in London?

A No, sir.

Q Did Harry Amanatides tell you at that time that misrepresentations were being made to the bank?

A No.

Q Are you familiar with a corporation named Brent Shipping?

A Yes.

Q Could you tell the jury what your association or connection with Brent Shipping was, if anything?

A There was. Again in the beginning of the summer of '71 while I was in London I was told that I was an officer of a company called Brent Shipping that owned the vessel called the Aquario and for the sale of the Aquario to another company called Southeast Tankers I had to sign certain documents. That was the extent of it, I believe.

Q Were you told you were an officer of Brent Shipping?

A Yes.

Q And you signed?

A Yes, two or three documents I believe there were.

Q Who told you that?

A Mr. Amanatides.

Q Was there any basis to believe that you were acting in any improper fashion?

A No.

Q Did you know of any fraud being committed in connection with Brent Shipping?

A No.

Q Did there come a time, Mr. Katritsis, when you obtained certain personal loans from the Chemical Bank?

A Yes, sir.

Q When did that happen?

A I believe December, January and February. That's December, '71, January, February, '72.

Q How much money in all was obtained as personal loans during that period of time?

A I believe the total figure was in the area of $200,000.

Q How were those loans obtained and under what circumstances?

A I don't know how the loans were obtained. I know who obtained them.

Q Who obtained them?

A Mr. Amanatides.

Q What conversations, if any, did you have with Mr. Amanatides about that?

A The first occasion he told me to go downstairs because Tidal's offices were in the same building where there

was a Chemical Bank. He told me to go downstairs to Chemical to ask for a particular officer, I forget his name right now, and he had some documents for me to sign, which I did.

Q Were those loans paid back?

A Yes.

Q How were they paid back? First of all, what did you with the proceeds of the loan?

A Once I signed those, the loan papers, Mr. Amanatides gave me a list of companies and amounts that he wanted me to make out checks to, for my checking account, which I did.

Q Then what did you do with the money?

A I made out the checks.

Q To whom?

A To a few companies. I don't remember their names offhand.

Q All Tidal companies?

A I don't think so, no.

Q What companies were they?

A Of the Tidal companies. I believe Galaxy was one of them, Galaxy Steamship Corp. The rest I don't think were Tidal companies.

Q Were those loans repaid?

A Yes, sir.

Q Who repaid the loans?

A I imagine Mr. Amanatides.

Q From whom did you receive the checks?

A From the corporations that I had made checks out to.

Q Then you made your own checks made payable back to the bank?

A I believe they were deposited and the bank deducted that amount from my accounts. I believe that's how it was done.

Q Directing your attention for the moment to January of 1972, do you recall cashing a check for Mr. Amanatides during that month?

A Yes, I do.

Q Could you tell the jury your recollection of what transpired with that check?

A Well, Mr. Amanatides on that day told me to go to Mr. Naslas' office to pick up a check that I was to take over to National Bank of North America and to go see Mr. Shevlin, which I did do. I went to see Mr. Shevlin. He I believe endorsed -- signed the check, okayed it and took me downstairs to the main floor at National Bank where I was given the money in cash.

I remember that occasion because I had to be

accompanied by a bank guard, although I didn't want him around me.

I returned to Tidal's office and gave the money to Mr. Amanatides.

MR. SPRIZZO: Excuse me, your Honor.

(Pause)

MR. SPRIZZO: I have no further questions, your Honor.

CROSS EXAMINATION

BY MR. GLEKEL:

Q Mr. Katritsis, did you testify that when you signed the Tachys charter party you saw the first and the last page?

A Yes, sir.

Q What was the length of that charter party, according to the first page?

A Five years.

Q Were you an officer of Spartan Endeavor?

A I was told I was.

Q Please state the conversation that you had with Mr. Axiotakis concerning the signing of the certificate as to the authenticity of a charter party?

A To the best of my recollection, he asked me, "Is this a real charter"?

I said, "Of course it is, George. Stop kidding around."

Q Did he also ask you how could he sign it when he had resigned as an officer of the corporation?

A I believe he did.

Q What did you tell him that?

A That it was all right.

Q Did you also tell him that Tidal Marine's lawyer said it was okay?

A I didn't say Tidal Marine's lawyers. I believe his testimony was -- I don't remember the conversation itself His testimony wasn't that.

Q Did he observe to you that the document had been backdated?

A Yes. He brought it to my attention.

Q What did you tell him as to that?

A I told him it was all right.

Q What was the charter which you were asking Mr. Axiotakis to certify as to the authenticity of?

A The same charter I had signed.

Q The five-year charter?

A Five-year BP.

Q Mr. Katritsis, when you borrowed the money concerning which you have just testified, did youhave

any discussions with Mr. Amanatides as to what the money was for?

A Yes. I asked him how could I borrow so much money.

He said that he could no longer borrow money in his name for some reason and he needed another name.

Q In other words, it was your understanding that you were being used as a name by Mr. Amanatides to borrow money?

A That he was using my name, yes.

Q It was your understanding that the money was not for your own personal use?

A Yes.

Q What did you tell the bank officer that the purpose of these loans was?

A He didn't ask me.

Q He didn't ask you?

A No, sir. Mention was made before.

Q How many secretaries were employed at the Tidal Marine offices in early 1972?

A Typing secretaries?

Q Secretaries.

b2 A I believe four.

Q Who were they?

A The receptionist, first name was Nancy, Joyce

Walker, Ann Messinni and Julie Lazaro, I believe their names were.

Q Which of those secretaries typed?

A All of them.

Q Isn't it a fact that George Walker often stayed late to do typing?

A Yes.

Q And isn't it a fact that Mr. Amanatides only asked you to type documents which he was not willing to allow his secretaries to see?

A No.

Q Did you ever type a document containing financial figures for Tidarl Marine's quarterly report for the first quarter of 1972?

A No, sir.

Q Did you ever type a document containing financial figures?

A Financial figures? Possibly.

Q Where was your office located at Tidal Marine?

A My office?

Q Yes.

A When I had an office it was opposite Mr. Amanatide's office. Joyce Walker was in between the two of us.

Q Who at Tidal Marine told you what work to do?

A Mr. Amanatides in general.

Q Did he supervise your work?

A I would say yes, to a certain degree, yes.

Q Did you make any trips with Mr. Amanatides?

A On a few occasions, yes

Q Business trips?

A Sometimes, yes.

Q Whereto?

A Mostly London and Greece and to Iran.

Q Did there come a time in late 1972 or early 1972 when Mr. Amanatides left New York?

A He left New York I believe some time in the late summer of '72, if I'm not mistaken. I'm not positive on that point. I don't think he was in New York in the fall of '72.

Q Did a time come you learned that an investigation had commenced into Tidal Marine's affairs?

A Yes, sir.

Q Did you receive a request from Mr. Amanatides after that time to pack up documents located in Tidal Marine's offices?

A No, sir.

MR. SPRIZZO: Objection.

THE COURT: Overruled.

A No, sir.

3 p.m.

gwlt 1 Katritsis-cross

Q Did you pack up any documents at Tidal Marine's office?

A No, sir.

Q Did you give any instructions to pack up any documents in Tidal Marine's office?

A No, sir.

Q You did not give instructions to pack any documents at 80 Pine Street at Tidal Marine's offices?

A Not to my recollection.

Q Did you give any instructions pertaining to the shipping of such documents to Greece?

A No, sir.

Q Did you give instructions as to preparing a bill of lading as to any such documents?

A Did I give instructions? No, sir, I didn't.

Q Did you arrange for the picking up of any such documents?

A No, sir.

Q When was the last time you were in Tidal Marine's office?

A I would say December '72.

Q What did you do in Tidal Marine's offices after Mr. Amanatides left?

A I continued to work. As a matter of fact, I

SOUTHERN DISTRICT COURT REPORTERS, U.S. COURTHOUSE

wasn't even paid in those days.

MR. GLEKEL: I have no further questions, your Honor.

REDIRECT EXAMINATION

BY MR. SPRIZZO:

Q You were asked some questions about a bill of lading.

Didn't you have some contact with a bill of lading?

A Yes, sir.

Q What did that refer to?

A I was given a bill of lading by -- I was told by Mr. Amanatides over the phone that Thea, his wife, had a bill of lading that he wanted me to ship. I put it in a box of tapes that I was sending him.

Q What kind of tapes?

A They were video tapes of football games.

MR. SPRIZZO: Thank you, Mr. Katritsis.

MR. GLEKEL: One more question.

RECROSS EXAMINATION

BY MR. CLEKEL:

Q This bill of lading, did this refer to Tidal Marine's records other than football tapes?

A The bill of lading? It referred to two trunks

that were shipped by some vessel. I don't know what vessel.

THE COURT: That was on the bill of lading.

THE WITNESS: It was -- the bill of ladings were in an envelope. That's how I received them. That's how I put them in another box, they were air freighted.

Q What was in these trunks?

A In the trunks?

Q Yes.

A What was in them?

Q Yes.

A What I found out was in them? Various things. Personal things, personal effects of Mr. Amanatides.

Q Including business records of Tidal Marine?

A I don't know. I didn't read them.

MR. GLEKEL: Nothing further, your Honor.

REDIRECT EXAMINATION

BY MR. SPRIZZO:

Q When did you find out what was in the trunks, Mr. Katritsis?

A Quite some time afterwards.

Q When? How much afterwards?

A Months. I couldn't say offhand.

Q In '73?

A Probably.

Q Long after any of the facts alleged in the indictment took place, is that correct?

A Yes.

MR. SPRIZZO: Thank you.

MR. GLEKEL: Nothing further.

THE COURT: You may step down.

(Witness excused.)

THE COURT: Next witness.

MR. FLEMING: Mr. Hanlon.

J A M E S D A N I E L H A N L O N, called as a witness on behalf of the defendants, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. FLEMING:

Q Mr. Hanlon, you are an attorney?

A That is correct.

Q How old are you?

A 49.

Q Where were you born?

A I was born in Brooklyn.

Q Brooklyn, New York?

A Correct.

Q Where did you grow up?

gwlt 5 Hanlon-direct

A I grew up outside of Boston, Massachusetts.

Q What town?

A Arlington, Massachusetts.

Q Did you go to school in Arlington?

A I went to the public schools in Arlington, yes.

Q After you graduated from Arlington High School, were did you go to school?

A I went to the Massachusetts Maritime Academy.

Q What is that?

A Well, it is similar to Kings Point Merchant Marine Academy. It is a school for training merchant marine officers.

Q How long were you at Massachusetts Maritime Academy?

A Two years.

Q Did you receive any kind of degree from Massachusetts Maritime?

A Yes, I received a bachelor of science degree.

Q Did that qualify you for you to become qualified to serve on merchant seaman, merchant ships?

A I received a third mate's license when I graduated.

Q Did you work on ships?

A I did.

Q Did you also continue your education?

A I did.

Q Where was that?

A I subsequently went to Holy Cross College.

Q What year did you go to Holy Cross?

A I started in 1947 and I finished in 1952.

Q Did you have four years at Holy Cross?

A Yes. I left after three years and then I went back a year later and completed.

Q What did you do in the intervening year?

A I went to sea.

Q Went to sea?

A Yes.

Q Where?

A Mostly in the far east.

Q Where?

A Japan, Korea.

Q Was that on merchant ships?

A Yes, it was.

Q Was that during the Korean War?

A Yes, it was.

Q You returned and graduated from Holy Cross?

A Yes.

Q What year did you graduate?

A 1952.

Q What did you do then?

A Then I was called into the Navy.

Q How long were you in the Navy?

A Two years.

Q Sea or shore?

A I was aboard ship.

Q What type of ship?

A An attack transport.

Q Where did you serve?

A Norfolk, Virginia.

Q After your discharge, what did you do?

A I went to law school.

Q Where was that?

A Harvard.

Q Did there come a time when you were married?

A Yes, I was married when I was in the Navy.

Q When did you graduate from law school?

A 1957.

Q When were you admitted to practice?

A 1958.

Q Are you still married?

A Yes.

Q How many children do you have?

A Six.

Q What sexes?

A I have three boys and three girls.

Q What ages?

A My oldest daughter is 21 and my youngest son is 10.

Q After you graduated from law school, by whom were you employed?

A Zock, Petrie, Sheneman & Reed.

Q What type of work did you do?

A Admiralty.

Q I take it you joined that firm as an associate?

A Yes.

Q Did there come a time when you became a partner in that firm?

A Yes.

Q When was that?

A I believe it was 1966.

Q Was Mr. Sheneman who testified here a partner at that time?

A He was.

Q And Mr. Petrie, he was a partner there at that time?

A Yes.

gwlt 9 Hanlo- 'irect

Q Mr. Hanlon, do you know Harry Amanatides?

A Yes, I do.

Q When did you first meet Harry Amanatides?

A About 1961, I believe.

Q How was that as you recall it?

A I had a mutual friend who was also in the steamship business and we used to have lunch once a week and he brought Amanatides along to one of these luncheons and thereafter we -- the three of us used to have lunch once a week.

Q Did you become friends?

A Yes.

Q What opinion did you form of AManatides?

A I had a very high opinion of him.

Q On what did you base that?

A Well, I knew him from seeing him once a week, I knew his family, mother and father, his sister, his nephew.

Q What kind of guy was he?

A Well, he was very intelligent.

MR. GLEKEL: Objection, your Honor. I don't see the relevance.

THE COURT: I don't think we should lapse into the vernacular, even for this purpose.

gwlt 10 Hanlon-direct

MR. FLEMING: I'm sorry. I apologize for that, your Honor.

THE COURT: Reframe your question.

MR. FLEMING: I will withdraw it.

Q Prior to Tidal Marine, did you have any business transactions with Mr. Amanatides?

A I represented him with respect to another shipping venture.

Q What was that?

A Mr. Amanatides and Mr. Livas and several other people purchased a dry cargo ship.

Q What was the name of that ship?

A Vega Starr.

Q What happened to that ship?

A It ultimately was scrapped. It stranded in Indonesia and was towed to Singapore and thereafter scrapped.

Q Do you recall when Mr. Amanatides formed Tidal Marine Corporation?

A I believe it was 1968.

Q Were you retained as the attorney or was your firm retained as attorney?

A Yes, I was retained as their admiralty counsel.

Q, Were your functions to be limited to admiralty?

A Generally, yes, except that I formed corporations and did ship mortgages and things of that nature, but it was

gwlt 11 Hanlon-direct

basically maritime.

Q Were the corporations you formed in connection with the shipping business?

A Yes.

Q Did Tidal Marine have other attorneys?

A Yes, they did.

Q What other attorneys did you know of?

A Well, they were represented by Willkie, Farr and Aimet, Haynes and there was another lawyer by the name of Jack Becker who represented them.

Q Who did Tidal Marine's Securities and Exchange work, for example?

A Well, I believe Jack Becker was their original lawyer in that department and I think he was succeeded by Cole & Dietz and then Willkie, Farr.

Q For how long did your representation of Tidal Marine continue?

A Until they went out of business, which was the latter part of 1972.

Q All right.

Mr. Hanlon, you have been named in certain counts of the indictment. You are aware of that?

A Yes, I certainly am.

MR. FLEMING: May I have just a moment, your

gwlt 12 Hanlon-direct

Honor?

(Pause.)

Q Are you familiar with a charge in the indictment, counts 10 through 12, alleging a mail and wire fraud?

A Yes, I am.

Q You are on trial here on Count 10, which alleges a communication from London, England to New York, New York on January 4,1971.

A Yes.

Q Have you read that charge?

A Yes, I have.

Q It has to do with vessels Ilion, Marilion, Kyrilion and Harilion, is that correct?

A That is correct.

Q What is your first recollection of the vessel?

A I believe it was in the latter part of December 1970. Mr. Amanatides told me that he had negotiated a loan with the National Bank of North America for the purchase of four ships and those were the names of the ships.

8 p.m.

hplt 1 Hanlon-direct

Q Did he ask you to do anything?

A He asked me to attend the closing at the bank.

Q What else do you recall about that transaction?

A Well, Mr. Friedman was the attorney who represented the bank on that particular closing. There were three all together.

Q Three closings?

A Yes, I believe the first closing involved two ships and then subsequently there was one closing for the remaining two ships.

Q Now, sir, prior to that closing, had you formed a corporation called Unimar Seetransport GMBH?

A Yes, I did.

Q And do you recall specifically when you formed that corporation?

A I believe it was in October of 1970.

Q How did you come to form it?

A I received a telephone call, I believe, from Mr. Blonsky in London, and he inquired of me as to whether or not that corporation could be formed, and I told him I would look into it and I called up, or my secretary called up the Liberian Services here in New York and inquired if it would be possible to use that name for a Liberian corporation and they said yes and we proceeded tc form it.

hplt 2 Hanlon-direct

Q Could you explain what you mean for it to be possible for that corporation to form? What does that mean in the context of that corporation?

A It means there was no other corporation under the same name.

Q That would be the Liberian jurisdiction?

A Yes.

Q You saw -- I forgot the witness' name, but a man that came from --

A Mr. Hubbard.

Q Who does he work for?

A He works for both the Liberian Services which do the corporate work in New York for the Republic of Liberia, and he also works for the Deputy Maritime Administrator for the Republic of Liberia with respect to recording documents.

Q How do you go about forming a Liberian corporation, since there has been so much testimony about that?

A Well, you telephone Liberian Services and ordinarily you instruct them to form what we call a standard shipping corporation, so that the certificate of incorporation empowers that company to do the various types of businesses in the shipping industry.

In other words, operate, buy, sell ships, carry

cargo, possibly use docks and everything that is related to the steamship industry.

Q Do you get anything back from them?

A Yes. It takes about six weeks and you receive the certificate of incorporation and the resignation of the original subscribers to the stock who are located in Liberia.

Q Explain how that works, the original registration of stock.

A Well, the incorporators, I assume they are lawyers in Monrovia, Liberia and they file the appropriate documents with the Secretary of State for the Republic of Liberia and the corporation is formed and when that happens they receive the certificate of incorporation and they forward it here to New York and I receive it.

Q And then you say they resign?

A They resign then, yes.

Q Are new officers or directors or anything like that elected?

A Yes. Then new directors, there is a first meeting of the board of directors, and they are elected and they, in turn, elect the appropriate officers, president, vice president, secretary, treasurer.

Q And is there anything unusual about this kind of

thing, forming a Liberian corporation that way?

A Absolutely not.

Q In fact, is there anything unusual forming a corporation that way?

A No, it is done every day, in every state in this country, in Liberia, Panama.

Q How many Liberian corporations have you caused to be formed as an admiralty lawyer?

A I suppose a hundred and fifty. I really couldn't put a number on it.

Q Have you done it for clients other than Tidal Marine?

A Yes.

Q Getting back to the conversation with Blonsky in or about October 1970.

You say that he asked you to check and see whether a Liberian corporation could be formed in the name of Unimar Seetransport GMBH?

A That's correct.

Q Did you testify that you did check?

A I did.

Q And the response was what?

A That it could be formed. The name was available and that corporation could be formed under the name he

hplt 5 Hanlon-direct

gave me.

Q Did you give instructions that it be formed?

A Yes, I did.

Q And it was?

A It was.

Q Did Blonsky tell you the purpose of forming that corporation?

A No, he did not.

Q Did Harry Amanatides?

A No, he did not.

Q Did you know Ion Livas?

A Yes

Q Did he tell you?

A No, he did not.

MR. FLEMING: Your Honor, would this be an appropriate time to recess?

THE COURT: I would like to go until 5 o'clock, if you don't mind.

MR. FLEMING: If I can answer that, I would like to recess now, your Honor, if it is appropriate.

THE COURT: We will recess, but please allow me to run the courtroom. Will you please?

MR. FLEMING: I am allowing that, your Honor. I just --

hplt 6 Hanlon-direct

THE COURT: I suggested we go to 5 o'clock, but if you want to recess, we will.

Ladies and gentlemen, we will recess until tomorrow morning at 10 o'clock.

(Adjourned to Friday, June 11, 1976 at 10 a.m.)

- - -

WITNESS INDEX

Name	Direct	Cross	Redirect	Recross
Costas Naslas	1018	1090	1151	1153
Paul Katritsis	1154	1193	1198 1199	1198
James Daniel Hanlon	1200			

EXHIBIT INDEX

Defendant	Identification	In Evidence
S	1017	1017
T	1049	
U	1051	1052
V	1055	1057
W	1055	1057
X	1053	1057
Y	1055	1057
Z	1057	1059
Court		
13		1050
14	1089	